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Report of the International Civil Service Commission for 2010

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Report of the International Civil Service Commission for 2010

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB	United Nations System Chief Executives Board for Coordination
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISERV	United Nations International Civil Servants' Federation
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

Glossary of technical terms

Administrative place of assignment	See "Special operations approach".
Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.
Best practice	An innovative policy, strategy, programme, process or practice that has a demonstrated positive impact upon performance, is currently being used by at least one major employer and is relevant and applicable to others.
Career development	Career development is a structured approach to the matching of employees' goals and the business needs of the organization. Its purpose is to enhance the job performance of the individual, and prepare individuals to take advantage of future job opportunities. Typically, career development involves three parties: managers who provide guidance and career advice as well as ensuring that staff are provided as many professional development opportunities as possible; human resources departments which disseminate model typical career paths and provide learning programmes targeted at areas of organizational relevance; and staff who are individually responsible for the planning and managing of their careers and for ensuring that they remain professionally relevant by taking advantage of the developmental opportunities offered.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also "Highest paid civil service" and "Noblemaire principle".
Competencies	A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.
Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or "consolidating" it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment classifications at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff.

Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost-of-living between New York and Washington is applied to the comparator salaries to determine their "real value" in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Dependency rate salaries	Net salaries determined for staff with a primary dependant.
Designated duty stations	Staff may qualify for additional entitlements under the mobility/hardship scheme if the duty stations in which they serve meet certain pre-determined criteria in terms of lack of amenities such as health care, educational facilities, or poor local conditions. Such duty stations are "designated" for the purposes of the mobility/hardship scheme, and the additional entitlements may include reimbursement of the cost of medical examinations for family members, increased boarding allowance, additional education grant travel, and a small freight allowance.
General Schedule	A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.
Group I duty stations	Countries with convertible currencies and where out-of-area expenditures reported by staff members account for less than 25 per cent of the total expenditures
"H" duty stations under the mobility and hardship scheme	Headquarters locations and locations where there are no United Nations developmental or humanitarian activities or locations which are in countries which are members of the European Union.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.
Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "Comparator" and "Noblemaire principle".
Mobility and hardship allowance	A non-pensionable allowance designed to encourage mobility between duty stations and to compensate for service at difficult locations.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, D.C., is the net remuneration margin.

Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".
Non-family duty stations	Duty stations which for security reasons, or by decision of the General Assembly, are deemed unsuitable for the presence of family members of internationally recruited staff.
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund. Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency and linking it to organizational objectives. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, work organization and labour-management relations and human resources.
Place of duty	See "Special operations approach".
Place-to-place survey	Survey carried out as part of the process of establishing a post adjustment index. It compares living costs between a given location and the base city, New York, at a specified date.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Post adjustment classification is based on the cost of living (post adjustment multiplier) as reflected in the respective post adjustment index for each duty station and is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay. The pay index at the duty station would be 100 + 5 or 105.
Senior Executive Service	In the comparator (United States) civil service, a Senior Executive Service was created as a separate personnel system for senior managers who administer programmes at the highest levels of the federal Government. There are six pay levels but no grades in the Senior Executive Service. A number of other countries have also established a senior executive service or senior public service systems.
Separation payments	Upon separation from service, staff may receive compensation for one or more of the following: commutation of annual leave, repatriation grant and termination indemnity. Death grant is payable to the survivor of a staff member.

Single rate salaries	Net salaries determined for staff without a primary dependant.
Special operations approach	Organizations using the special operations approach assign staff required to work in non-family duty stations to a nearby location, known as the administrative place of assignment, with the necessary infrastructure in terms of educational, housing and health facilities to allow such staff and their families to maintain a home base in the region, while the staff member proceeds on travel status to the non-family duty station where (s)he is required to perform official duties, which is referred to as the place of duty. Benefits and allowances, including post adjustment and hardship allowances, are paid at the rate of the administrative place of assignment. To cover the costs of maintaining a second household at the place of duty, staff are paid a special operations living allowance in addition to what they receive at the administrative place of assignment.
Special operations living allowance	See "Special operations approach".
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.
Tax abatement	In the context of dependency allowances, tax credit or relief provided to taxpayers who are responsible for the financial support of dependants (spouse, children, parents, etc.) in the tax systems of a number of countries.

Letter of transmittal

27 August 2010

Sir,

I have the honour to transmit herewith the thirty-sixth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Kingston P. **Rhodes**
Chairman

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

A. Conditions of service applicable to both categories of staff

1. Education grant: review of the methodology for determining the grant (representative schools and eligibility)

62 (a) The Commission decided to recommend that the General Assembly invite the organizations of the common system to adopt, for harmonization purposes, education grant eligibility criteria with respect to the minimum age, the maximum age and the coverage of post-secondary education, and requested its secretariat to conduct an expanded review of the methodology for determining the education grant.

2. Education grant: review of the level

83 The Commission recommended to the General Assembly that, as of the school year in progress on 1 January 2011, the maximum admissible expenses and the maximum education grant for 11 zones should be adjusted and that the normal flat rates and the additional flat rates for boarding should be revised for 13 zones. The special measures for China, Hungary, Indonesia, Romania and the Russian Federation and for the eight specific schools in France should be maintained, while those for Bulgaria should be discontinued.

3. Separation payments: termination indemnity

101 The Commission decided to report to the General Assembly that it had concluded that the termination indemnity was used on a limited basis and covered approximately 1 per cent of the total General Service and Professional staff and about 14 per cent of all separations. While some fluctuations in termination indemnity numbers did exist, the analysis did not demonstrate that there was inappropriate application of the scheme, and the overall termination indemnity-based separation trends appeared to be driven by the operational needs of the organizations.

B. Remuneration of the Professional and higher categories

1. Base/floor salary scale

120 The Commission recommends to the General Assembly, for approval, with effect from 1 January 2011, the base/floor salary scale for the Professional and higher categories shown in annex VI to the present report.

2. Evolution of the United Nations/United States net remuneration margin

129 The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the year 2010 was estimated at 113.3.

Paragraph reference		
	3. Establishment of grade equivalencies between the United States federal civil service and the United Nations system	
139 (d)	The Commission decided to report to the General Assembly that it had conducted a new grade equivalency study as part of its regular review.	
	4. Children's and secondary dependant's allowances: review of the level	
162	The Commission recommends to the General Assembly that, with effect from 1 January 2011, the revised level of the children's allowance be set at 2,929 United States dollars ($) and that the secondary dependant's allowance be set at $1,025. In case the current levels of the allowances are above the proposed ones, transitional measures would be introduced, with the allowances payable to currently eligible staff being equal to the higher rate, but reduced by 50 per cent of the difference between the two rates. The dependency allowances should be reduced by the amount of any direct payments received by staff from a Government in respect of dependants.	
	C. Conditions of service in the field	
	Harmonization of the conditions of service for staff serving in non-family duty stations in the common system	
243	The Commission recommends to the General Assembly (a) that the designation of non-family duty stations be harmonized across the United Nations common system; (b) that conditions of service for staff serving in non-family duty stations be harmonized across the United Nations common system by amending the existing hardship scheme to include a consideration for service in non-family duty stations; and (c) that the provisions governing rest and recuperation be harmonized across the common system by adopting a common rest and recuperation framework.	

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference	
	A. Conditions of service applicable to both categories of staff
	Education grant: review of the level
82	The financial implications associated with the Commission's recommendations regarding the education grant are estimated at $2.8 million per annum, system-wide.
	B. Remuneration of the Professional and higher categories
	1. Base/floor salary scale
117	The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex VI are estimated at approximately $0.7 million per annum, system-wide.
	2. Children's and secondary dependant's allowances: review of the level
161	The financial implications associated with the recommendations of the Commission regarding the children's and secondary dependant's revised allowances are estimated at $3.9 million per annum, system-wide.
	C. Conditions of service in the field
	Harmonization of the conditions of service for staff serving in non-family duty stations in the common system
241	(a) The financial implications associated with the Commission's recommendation regarding the harmonization of the designation of non-family duty stations are estimated at $20.3 million in the first year, and $12 million per annum thereafter, for the United Nations Secretariat. There are no additional costs associated with the ICSC recommendations for other funds, programmes or specialized agencies of the United Nations.
238	(b) The financial implications associated with the Commission's recommendations regarding the harmonization of conditions of service for staff serving in non-family duty stations are estimated at $46.8 million per annum for the United Nations Secretariat. All other funds, programmes and specialized agencies of the United Nations would have cost savings, bringing the overall cost to the common system to $21.9 million per annum.
201	(c) The financial implications associated with the Commission's recommendations regarding the harmonization of rest and recuperation travel are estimated at $45.2 million per annum for the United Nations Secretariat. The financial impact on other common system organizations is more or less cost neutral.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

2. To date, 13 organizations[1] have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances. One other organization,[2] although not having formally accepted the statute, participates fully in the work of the Commission.

B. Membership

3. The membership of the Commission for 2010 is as follows:

Chairman

Kingston P. Rhodes (Sierra Leone)*

Vice-Chairman

Wolfgang Stöckl (Germany)***

Members

Yevgeny V. Afanasiev (Russian Federation)**
Fatih Bouayad-Agha (Algeria)**
Shamsher M. Chowdhury (Bangladesh)**
Minoru Endo (Japan)***
Guillermo Gonzalez (Argentina)*
Lucretia Myers (United States of America)***
Emmanuel Oti Boateng (Ghana)*
Anita Szlazak (Canada)*
Gian Luigi Valenza (Italy)***
Gilberto C. P. Velloso (Brazil)***
Wang Xiaochu (China)**
Eugeniusz Wyzner (Poland)*
El Hassane Zahid (Morocco)**

* Term of office expires 31 December 2010.

** Term of office expires 31 December 2012.

*** Term of office expires 31 December 2013.

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO and UNWTO.

[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2010, the seventieth, which took place from 22 February to 5 March at the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago, Chile, and the seventy-first, which took place from 26 July to 6 August at United Nations Headquarters in New York.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are considered in the present report.

D. Programme of work of the Commission for 2011-2012

6. The programme of work of the Commission for 2011-2012 is contained in annex I.

Chapter II
Reporting and monitoring

Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system

7. The Commission considered decisions and resolutions of relevance to its work, adopted by the General Assembly and other governing bodies of the common system.

Discussion in the Commission

8. The Human Resources Network of the United Nations System Chief Executives Board for Coordination (CEB) took note of the decisions of the General Assembly in regard to the salary scale for staff in the Professional and higher categories, the pending matters regarding the issuance of continuing appointments in the United Nations Secretariat and the proposed code of ethics.

9. The representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) stated that the Committee looked forward to discussions on the mandatory age of separation, taking into account the deliberations of the United Nations Joint Staff Pension Board. He regretted that end-of-service severance pay was coupled with the debate on continuing contracts. With regard to the suggestion by the Assembly that even higher consideration be given to the local national civil service among retained employers, the Committee recalled that the Fleming principle was intended to enable the United Nations to attract and retain staff members who would otherwise be working for the best employers across the local labour market, not simply in the national civil service.

10. The representative of the United Nations International Civil Servants' Federation (UNISERV) expressed concern about gender balance and geographical distribution, as the organizations were not doing enough to recruit and retain qualified women, and about the linking of the separation payment with the implementation of the continuing contract. The representative requested that the gap between the previous contractual framework and the 1 July 2009 framework be closed, given that the continuing contract was not implemented as at 1 January 2010.

11. Members of the Commission noted with appreciation the recognition of its work by the Assembly and other governing bodies. The Commission noted the decisions taken by the Assembly, including the discussion on geographical distribution and gender balance, recalling in that regard the provisions of paragraph 3 of Article 101 of the Charter of the United Nations, which are as follows:

> The paramount consideration in the employment of the staff and the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

12. The Commission took note of the debate on the proposed code of ethics and, in order not to pre-empt any decision by the Assembly, decided to keep the matter of any future revisions to the Standards of Conduct of the International Civil Service under review.

13. The Commission expressed dissatisfaction with the level of reporting by organizations in regard to the decisions and resolutions adopted by governing bodies other than the General Assembly, and requested its secretariat to take steps to improve the situation in order that more systematic reporting might take place in the future.

Decision of the Commission

14. The Commission decided:

(a) To request its secretariat to continue consultations with organizations and representatives of staff federations, as envisaged in paragraph 35 of its report for 2009 (A/64/30 and Corr.2), undertaking a preliminary review of the standards of conduct to ensure that they continue to meet the needs of the organizations and to define areas that might need updating, and to report thereon at its seventy-first session;

(b) To request its secretariat to change the format of the questionnaires and to consider a web-based approach for organizations to report the information on decisions and resolutions and recommendations of governing bodies in such a way that the organizations can be asked to respond to specific decisions of the Commission rather than using the present more generic approach.

Chapter III
Conditions of service applicable to both categories of staff

A. Inter-agency mobility: a comprehensive assessment of issues and practices

15. By its resolution 61/244, the General Assembly requested the International Civil Service Commission, within its mandate, to continue to keep under review the question of mobility in the United Nations common system, including its implications for career development, and to make recommendations to the Assembly, as appropriate, in the context of its annual reports. The Commission's previous reviews of inter-agency mobility were in 1987, 1988, 2002 and 2003. Further, in the human resources management framework approved by the Commission in 2000, inter-agency mobility was considered as an underlying premise of the international civil service, which promoted shared principles and values, recognizing that the mobility requirements of the various organizations may vary considerably depending on their structure, size and mandate.

16. During its review in 2003, the Commission emphasized the importance of mobility as a means of developing a more versatile, multi-skilled and experienced international civil service capable of fulfilling complex mandates. The Commission decided to approach mobility in a comprehensive manner in harmony with contractual arrangements, conditions of employment, work/life agendas and spousal employment issues, and identified four key areas where programmes should be developed to enhance mobility, as follows: (a) development of strategies to change organizational culture with regard to mobility; (b) a clearer definition of terms; (c) contract terms which should clearly state conditions of employment, including mandatory mobility as appropriate; and (d) spousal employment issues.

17. In recent years, considerable time, energy and resources have been devoted to encouraging inter-agency mobility. Since the last review by the Commission in 2003, a number of developments have occurred:

- In 2005, the United Nations System Chief Executives Board for Coordination issued the Inter-Agency Mobility Accord, replacing the Inter-organization Agreement concerning the Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries and Allowances. The Accord, although not yet adopted by all organizations, represents a more strategic approach to inter-agency mobility by providing more flexibility in the modalities for inter-agency moves;
- In 2005, ICSC promulgated a new contractual framework, providing a mobility clause under certain types of contract. This was followed in 2008 by the General Assembly's application of the framework to the United Nations Secretariat and the funds, programmes and specialized agencies of the United Nations system. In July 2009, the United Nations implemented the new provisional Staff Rules and Staff Regulations, defining the new contractual modalities and terms of employment;
- In 2005, ICSC reviewed the mobility/hardship scheme to better align it with the needs of the organizations, by placing greater emphasis on the hardship aspect and by recognizing a larger number of moves of the individual staff

member. Subsequently, in late 2006 the Assembly agreed to the ICSC recommendation on the revision of the mobility/hardship scheme, with effect from 1 January 2007;

- On basis of the outcome document of the 2005 World Summit (resolution 60/1), the Secretary-General of the United Nations proposed the "Delivering as One" concept to the Assembly, an approach to provide a system-wide coherence in the areas of development, humanitarian assistance and the environment. It became a reality through the "One United Nations" approach at the country level in 2006 with the implementation of pilot "one country programmes";

- In 2006, the Joint Inspection Unit presented a comprehensive report on staff mobility in the United Nations (JIU/REP/2006/7) to the Assembly at its sixty-first session. The report provided an independent, external assessment of the viability, usefulness, cost-effectiveness and impact of the current mobility policy in the light of the principles and goals stated by the Secretary-General and the related policy directives issued by the Assembly. The report also covered some cross-cutting issues related to mobility across the United Nations common system.

- The spousal employment issue is now centrally managed as an integral part of the dual career and staff mobility programme operated by the CEB secretariat in Geneva.

18. The report presented by the ICSC secretariat at the Commission's seventy-first session provided an analysis of benefits and problems including administrative constraints as well as an overall assessment of issues and practices with regard to inter-agency mobility in the United Nations common system. The report concluded that despite the fact that there was much support for the idea of inter-agency mobility within the United Nations common system and there had been numerous encouragements and policy statements by the General Assembly and others to increase the degree of mobility, there was basically very little change in inter-agency mobility between the common system organizations. The organizations with an internal culture of mobility experienced higher rates of inter-agency mobility. Overall, generalist staff had better opportunities for inter-agency mobility, as did staff in occupational groups that were replicated across organizations such as finance, human resources, general administration, procurement, information technology and management functions.

19. The report presented three options towards an effective inter-agency policy in the organizations of the United Nations common system, as follows: working to make the One United Nations concept a reality by allowing system-wide workforce planning to manage talent across the organizations and to identify gaps in talent; continuing with the current approach of stressing inter-agency mobility, but recognizing the current extent of organizational autonomy with respect to human resources management; and working towards greater harmonization of human resources management policies in order to remove as many barriers as possible to inter-agency mobility.

Discussions in the Commission

20. The Human Resources Network welcomed the comprehensive assessment of issues and practices regarding inter-agency mobility and stressed inter-agency mobility as a valuable opportunity for staff development and knowledge-sharing across organizations. The Network did not exclusively support any one of the three options presented but considered that elements of all three merited consideration and further work. With particular reference to its commitment to the One United Nations concept, the Network encouraged continued focus on harmonizing policies and practices across the United Nations common system with the aim of facilitating inter-agency mobility. To that end, the Network reported the ongoing work of CEB, including the study on harmonization of business practices, and the dual career and staff mobility programme managed by CEB. A number of organizations provided details to the Commission on their policy on inter-agency harmonization and on the administrative difficulties in handling various types of inter-agency mobility.

21. The representatives of three staff federations, namely, the Federation of International Civil Servants' Associations (FICSA), the Coordinating Committee for International Staff Unions and Associations of the United Nations System and the United Nations International Civil Servants' Federation agreed with the findings of the report presented by the ICSC secretariat. They considered that the findings served to underline what staff had always known: that despite the rhetoric, One United Nations was not yet a reality and that inter-agency mobility was valuable to staff but was not valued by the organizations. It was also pointed out that one of the problems of inter-agency mobility was that positions were sometimes reserved for staff members who were part of a network or a special interest group. All were in agreement that, in the context of One United Nations, inter-agency mobility was beneficial to staff and organizations, but that criteria should be predefined, and policies and their applications must also be uniform for all staff in the common system. They also believed that the harmonization of contracts and the recognition of promotions acquired while on secondment or transfers in a receiving agency would be essential components of any viable scheme. Further, it was considered that the award of continuing contracts and its recognition across the United Nations agencies, as well as the transferability of acquired rights, would hasten the goal of full inter-agency mobility. In addition, the lack of clarity in the Inter-Agency Mobility Accord and the Inter-organization Agreement in relation to the right of the staff member to return to the organization, as well as differences between them in terms of social security and health insurance were also highlighted by the staff federations.

22. The Commission expressed its appreciation for the information contained in the document prepared by its secretariat. It reaffirmed its recognition of inter-agency mobility as a valuable human resources management tool beneficial to the organizations, the common system and staff. It reiterated, however, that inter-agency mobility should not be approached for the sake of moving staff from one organization to another but should support the enhancement of organizational effectiveness and career development for staff. Further, it pointed out that mobility should be considered as a part of the nature of jobs in the international civil service.

23. The Commission recalled that employment (recruitment, selection/placement and retention) was considered as a non-core element in the human resources framework that it approved in 2000. The Commission also noted that a number of

developments had taken place in the area of human resources management in the common system since 2000. Hence, it was considered that it would be timely to re-examine the elements of the ICSC human resources management framework in relation to, inter alia, inter-agency mobility and recruitment systems. With the current realities and in terms of the One United Nations concept, the Commission highlighted the need for greater harmony of recruitment systems across the common system. Such a common system approach in recruitment and selection/placement would be able to address some administrative constraints to mobility.

24. The Commission noted the various types of inter-agency mobility that existed and also the administrative difficulties identified by organizations. The Commission recognized that the difficulty of spouse employment was often a significant barrier to mobility. The Commission felt that such employment should be considered as a priority area and efforts should be made by the organizations to develop appropriate policies. Organizations should be urged to develop appropriate solutions, such as negotiating agreements with host countries that would allow spouses to work, through the good offices of the Resident Coordinators. In addition, a policy of preferred treatment for spouse employment in other international organizations at the duty station could be pursued. Some members encouraged organizations to remove restrictions on spouses being employed in the same organization, as long as there is no reporting relationship between the spouses.

25. A number of members of the Commission recalled the cost involved in moving staff from one geographical location to another, estimated at about $40,000 per staff. Some members were of the view that it would be useful to build a cost model for inter-agency mobility to analyse the current situation and the optimum levels of inter-agency mobility that would be beneficial to staff as well as organizations. Some members noted that the cost of inter-agency mobility should also include factors such as loss of productivity during the move, adjustment to the new environment and the psychological/emotional and health costs involved in a physical relocation, particularly in respect of a hardship location. Others pointed out that the cost of inter-agency mobility was lower than external recruitment in monetary terms and the benefits were higher when considering the other qualitative benefits such as experience in the United Nations common system, knowledge-sharing, a short learning curve and adjustment time as well as a tool to provide career development and motivation to staff.

26. The Commission noted that the One United Nations concept was not intended to imply that all staff would be centrally managed, leading to a loss of organizational autonomy. The One United Nations concept had already been incorporated by the organizations in terms of Delivering as One at the country level. Therefore, the Commission considered that the long-term goal with respect to inter-agency mobility should be towards furthering the One United Nations approach. To achieve that, the Commission stressed the importance of removing existing administrative barriers to inter-agency mobility through harmonizing human resources management policies. The Commission stressed that inter-agency mobility should be viewed from the perspective of the interests of the organizations concerned. Particular mention was made of the fact that the system should be driven by the organizations and staff together, rather than being driven by individual staff initiatives, as was currently the case. To identify areas that would require the Commission's attention, it was suggested that a barrier analysis (compilation of

barriers to the harmonization of human resources policies and actions taken or needed) be undertaken by its secretariat.

Decisions of the Commission

27. The Commission decided:

(a) To review its human resources management framework (2000) with respect to, inter alia, inter-agency mobility, recruitment systems and other human resources elements under its purview;

(b) To urge organizations:

(i) To remove existing administrative barriers to inter-agency mobility;

(ii) To develop strategies to change organizational culture with regard to mobility;

(iii) To integrate inter-agency mobility into their human resource management policies;

(iv) To implement a more structured approach to inter-agency mobility with an emphasis on the staff development aspect;

(v) To promote consistency in the application of secondments;

(vi) To develop appropriate solutions for spouse employment such as negotiating agreements with host countries through the Resident Coordinators and removing restrictions on spouses being employed in the same organization as long as there is no reporting relationship between the spouses;

(c) To request organizations to adhere to the criteria stipulated in the ICSC framework for contractual arrangements in the United Nations common system (A/60/30 and Corr.1, annex IV) in granting continuing contracts;

(d) To request its secretariat to conduct a barrier analysis by compiling all barriers to harmonization of human resources management policies in the common system, and also to identify areas where actions had been taken and/or action would be necessary, and report on its findings at the seventy-third session.

B. Performance management framework

28. At its sixty-sixth and sixty-seventh sessions in 2008, the Commission reaffirmed the relevancy of the principles and guidelines that it had established in 1994, but cautioned that successful implementation could take place only with the full commitment of top management, which was why the Commission decided to keep the matter under continuing review. Further, the General Assembly, in resolution 63/251 of 16 March 2009, requested the Commission to work closely with organizations to identify workable means of rewarding performance, welcomed the Commission's work in benchmarking innovative practices, encouraged the Commission to keep performance management under review and requested it to present an updated performance management framework to the Assembly. Therefore the Commission requested its secretariat (1) to upgrade the performance management guidelines set out by the Commission in 1994, and (2) to update the

performance management framework, taking into account the Commission's previous work.

29. The Commission's guidance called for the updated framework to take into account the culture and environment of the individual organizations and stress that leadership must come from the top level of the organization. The secretariat was instructed to work with the organizations and staff federations in conducting a common system staff survey on performance management and to establish a task force consisting of representatives of the secretariat, the Human Resources Network and staff federations to benchmark performance management practices and reward systems in the United Nations common system and comparable institutions.

30. At its seventy-first session, the Commission considered a document containing the elements of an updated performance management framework that included, inter alia, proposals for recognition, incentives and rewards. In a staff survey conducted by the secretariat, to which approximately 10 per cent of staff responded, information was gathered on the working environment in common system organizations, including organizational culture, the management of performance and staff perceptions of performance appraisal systems currently in use. Meetings and consultations were held with the aim of fact-finding and benchmarking and included focus groups represented by a cross-section of staff from the organizations.

31. In the light of those consultations and information-gathering efforts, the approach to the updated framework was to focus on transforming behaviour rather than changing existing processes and concentrate on achieving outcomes, not outputs. The framework was to be conceived as a fair and holistic tool to be used by line managers throughout all the phases of the performance management process. It would stress staff potential and development activities, the underlying premise holding that staff members aspire to achieving excellence in their work and want their jobs to be meaningful. Further, the updated framework would aim at reinforcing the principles set out under the performance management rubric of the human resources management framework adopted by the Commission in 2000: that is, cultivating an environment of trust by emphasizing the need for mutual communication and feedback between staff and managers, and ensuring that modalities to foster career development for staff were in place.

32. In considering the elements that would constitute the updated framework, performance appraisal, or the measurement of the individual's performance, was not in itself seen as an effective means of improving poor performance or rewarding high performance. The framework would stress that those aspects could be addressed only through good quality management. Equally important was that staff members must understand their role in the success and achievement of organizational goals and participate fully in decisions related to their careers. It was above all intended to be a fair and coherent tool to be used by line managers throughout all the phases of performance management to help to place the focus on staff potential and development activities. It was with the preceding principles in mind that the elements of the framework were being proposed.

33. In updating the framework, emphasis would be placed on the following concepts:

(a) The definition of performance management as an ongoing process which begins on the first day of employment and ends only when the staff member separates from the organization;

(b) An informed reflection of the values set out in the human resources management framework, adopted by ICSC in 2000;

(c) Support for the following organizational requirements that must first be in place for an organization's performance management system to be effective:

(i) a performance management culture;

(ii) a system of good governance;

(iii) useful, reliable data, backed up by appropriate technology;

(iv) effective processes;

(v) a capable workforce;

(d) Identification of the roles and responsibilities of executive management, line managers, the staff member and other key players;

(e) An understanding that the measurement of a staff member's performance in isolation is not an effective means of improving poor performance or rewarding high performance, but can only be addressed through good quality management;

(f) Investment in developing and promoting a culture of appreciation and engaging in everyday practices that encourage staff members to recognize their colleagues for outstanding work or behaviour.

Discussion in the Commission

34. Representatives of the organizations and staff federations expressed general support for the proposed framework. The representative of the Human Resources Network felt, however, that there were still other issues that needed addressing, including the treatment of underperformance by staff members. Two organizations reported that they had recently upgraded their performance management systems. One organization concentrated on stimulating culture change via increased dialogue, communication and sustained learning. Another focused on linking rewards and recognition to the systems and ensuring that staff members participate fully in the process. Other recommendations spoke to the need for monitoring by organizations' human resources professionals for quality control and consistency in the application of performance management systems and for a clear relationship between individual and organizational performance. The representative of FICSA said that its members were fully supportive of "360-degree" evaluations, including peer reviews and addressing of underperformance through performance improvement plans and coaching.

35. The representatives of both FICSA and CCISUA expressed concern about the low level of participation in the staff survey and questioned its validity in reflecting the opinions and perceptions of the staff as a whole. Regarding cash awards, the representative of FICSA maintained that there were lessons to be learned from the one-time pay-for-performance pilot project. He expressed the view that cash awards could introduce inequities, especially in situations of cost neutrality. He concluded by stressing that there was a need for trust among all stakeholders and also that the

suggested list of non-monetary awards in the framework be reviewed in the light of different organizational policies and cultural backgrounds.

36. The representative of CCISUA defended the use of performance appraisal systems and expressed the view that having an up-to-date performance appraisal system would facilitate the strategic linking of individual workplans to the mission of the organization.

37. The representative of CCISUA found the elements of the framework to be logical and reasonable and supported its emphasis on good governance, accountability and the requirement for managers to model change. The representative of CCISUA also pointed out the necessity of enhancing two-way communication and establishing measures for monitoring and evaluating performance in the revamped framework. The Coordinating Committee strongly endorsed the idea of using a culture of staff recognition and the awarding of incentives as a means of boosting productivity and workplace morale, but specified that the eligibility criteria for rewards and recognition should be clearly delineated.

38. The representative of UNISERV called for the development of clearer guidelines and criteria to identify and recognize exceptional performance. Cash awards were not recommended.

39. The Commission recalled at the outset the 12 principles with associated guidelines for performance appraisal and management that it had published in 1994. It further recalled that three years later, in 1997, it had undertaken an in-depth review of the system. In reflecting on some of the basic assumptions that should underpin performance management, the Commission pointed out that a viable performance management programme must be integrated with the organization's strategy for the management of its human resources, which should in turn be aligned with the overall strategic direction of the agency. It noted that the principles and guidelines remained pertinent and in most cases had been incorporated in the performance management systems of the organizations. However, the Commission also observed that actual application of the system had been more challenging, in particular because managers and supervisors did not see performance management as important and meaningful. In the Commission's view, the difficulties in this regard derived more from the overall management culture than from any shortcoming in the principles and guidelines themselves, which the Commission concluded did not need revision.

40. At its sixty-sixth session in 2008, the Commission expressed the opinion that a performance management framework, however designed, would be difficult to implement successfully within common system organizations, and again reaffirmed the continuing validity of the 1994 principles and guidelines for performance management systems. Further, it appeared that the organizations, some 15 years after the performance management guidelines were adopted, were reluctant to implement the companion reward and recognition system for a number of individual reasons, but in general because their performance appraisal systems were not yet robust enough to support such a system. To date, the reward and recognition system approved for the common system in 1994 and modified in 1997 had not been implemented by the organizations.

41. With respect to the need to challenge staff members so that they felt they were making a valuable contribution, the Commission reiterated its support for the

concept of lifetime learning and the need to invest in developing staff. For an organization, lifelong learning and self-development were crucial and required dedicated resources. In that regard, it was noted that in the above-mentioned survey, most staff reported that they understood the basis for their appraisals, saw clear links between their work and the goals of the organization, had sufficient information to perform their duties well, felt a sense of accomplishment and were satisfied with their jobs.

42. The Commission then looked at various ways to incentivize and engage staff without opting for cash rewards. It noted the secretariat's recommendation that awards be linked to an organization's core values and that cash awards constitute a maximum of 5 per cent of the workforce to ensure that only outstanding performers were recognized. Although the Commission had in 1997 approved performance payments of up to 30 per cent of the workforce, a figure sufficiently high to motivate large numbers of staff to compete for and expect an award, the Commission concluded that cash rewards should be part of a more comprehensive approach that transformed existing cultures and established a new one that truly supported the tenets of a modern performance management system.

43. The Commission recalled that in 2008 at its sixty-sixth session it had requested its secretariat to issue updated guidelines on the granting of step increments based on merit. It was emphasized that before new modalities were developed to reward performance, the current salary scales and remuneration structure had to be utilized in a more dynamic manner. The secretariat was therefore again requested to conduct a study on the use of step increments within the common system, on the basis of which a reformulation of the suggestions for reward and recognition would be further considered.

44. It was noted that while the human resources management framework emphasized the need for recognizing and providing incentives to staff to improve productivity and morale, insufficient attention had been paid to poor and underperformance. Therefore, an integral part of the performance appraisal and management process should include the consideration of sanctions.

45. The Commission reiterated that without strong commitment and leadership from executive management, it would not be possible to change organizational culture which was essential — a sine qua non — for the implementation of an effective performance management system. The Commission recalled its suggestion, made in the context of the discussion on the same subject in 2009, that in organizations where they existed, performance contracts for senior managers should be extended to include managers at lower levels, thus bolstering accountability. The Commission wished to send a strong message that the most important element in bringing about change in the organizations was the involvement of the executive heads and governing bodies. Change was needed to create a culture in which it was accepted that performance management systems would underpin the management of staff. The Commission considered that the Executive Heads needed to discuss the issue of performance management among themselves and that efforts should therefore be made to enlist the High-level Committee on Management in getting performance management placed high on the agenda of CEB.

Decisions of the Commission

46. The Commission took note of the effort that had gone into preparing the elements of a performance management framework, which it saw as a work in progress at this stage. The Commission decided to request its secretariat to fine-tune the elements in the framework and present the updated framework in a format that was more accessible and user-friendly at its seventy-second session.

47. It also decided to request its secretariat to conduct further studies on the use of step increments in the common system for recognition and rewards and to report thereon at its seventy-second session.

C. Education grant

1. Review of the methodology for determining the grant

Seventieth session

48. In accordance with its earlier decisions, ICSC reviewed the following aspects of the methodology for determining the education grant:

(a) Eligibility criteria for receiving the grant;

(b) Tracking of tuition fee movement for the purposes of adjusting the grant and the list of representative schools;

(c) Additional boarding and additional education grant travel accorded to staff serving at designated duty stations.

49. As requested by the General Assembly in resolution 63/251 (sect. A.1, para. 2), the results of the review undertaken by the Commission are reported in the present document: items (a) and (b) are reported in the present section, while (c), the matter of designated duty stations, will be reported in connection with the report of the Working Group on the review of the mobility/hardship scheme at the seventy-second session.

50. With respect to eligibility, the following criteria were reviewed in a document prepared by the ICSC secretariat: (a) the minimum age for the receipt of the grant; (b) the maximum age for the receipt of the grant; and (c) the provision of the grant up to the end of the school year in which the child completes four years of post-secondary studies, irrespective of when a first-level university degree was attained.

51. Under the tracking of tuition fee movements, the Commission (a) examined alternative approaches to tracking the movement of school fees based on either the list of representative schools or the education component of the consumer price index; (b) reviewed the list of schools; and (c) revisited the procedure for measuring the tuition fee movement.

Discussion in the Commission

(a) Eligibility criteria

52. On the basis of the information collected from organizations by the ICSC secretariat, the Commission noted that the education grant eligibility criteria were harmonized throughout the organizations in terms of the maximum age for receiving the grant (25 years) and the provision of the grant for four years of post-secondary

education. In regard to the minimum age, in most organizations the grant was payable if the child was 5 years of age or older at the beginning of the school year or if the child turned 5 within three months of the beginning of the school year. However, several organizations did not have that restriction and paid the grant as long as the child turned 5 at any point during the school year and as long as proof was received that the child was enrolled in a full-time programme.

53. The Human Resources Network spoke in favour of conforming all eligibility provisions with the practices of the majority. The representative of CCISUA suggested that the grant should be payable as long as the child was admitted to a primary school rather than being subject to an arbitrary cut-off date, noting the potential discrimination between staff members whose children were both admitted to the same primary school class. However, members of the Commission were of the view that the minimum age eligibility should be harmonized. It was considered that the three-month cut-off date was reasonable and ensured the transparency, consistency and equity of the scheme without overly complicating it.

(b) Tracking of tuition fees

54. It was recalled that, under the current methodology, the tracking of tuition fees among representative schools provided the basis for one of the two triggers prompting a review of the education grant level. When an average fee in a zone moved by 5 per cent or more in the period since the previous review, the fee trigger was reached and the claims data were examined. If 5 per cent or more of the total claims and a minimum of five claims exceeded the existing maximum allowable expense limit, the claim trigger was reached and the grant level was adjusted.

55. The Commission explored alternative ways of measuring the fee movements critical to the operation of the first trigger, that is the use of representative schools versus the use of the education component of the consumer price index. It was recognized that each of the two approaches had its advantages and disadvantages. In particular, the former approach allowed for greater relevance of measurement, while the latter was simpler and less labour-intensive in that it obviated the need for selecting and validating representative schools and tracking their fees individually. As to the disadvantages, the monitoring of representative schools was fraught with a possible circularity problem, while the education component of the consumer price index might not be the appropriate measurement, as it tended to cover elements not relevant to the education grant, such as services at pre-primary levels, adult literacy programmes, out-of-school education and cost of supplies.

56. Having analysed the two approaches, the members of the Commission, the organizations and the staff representatives were in favour of monitoring representative schools as the preferred option for tracking tuition fee movements. It was generally agreed that, while use of the consumer price index would be simpler to administer, simplification had to be balanced against the need for accuracy and representativeness. While recognizing the circularity issue, the Commission considered that it was unlikely to have an overwhelming impact given the relatively low percentage of the enrolment of the children of staff of the common system in the overall student population of most representative schools.

57. The Commission examined the revised list of 56 representative schools proposed by its secretariat. It was informed that, in developing the list in close coordination with the CEB secretariat, the ICSC secretariat had attempted to ensure

that the most populous schools in terms of attendance by children of staff of the common system were included and to provide adequate coverage of each of the zones, bearing in mind both the number of claims and the number of schools per zone. In fine-tuning the school selection, the secretariat had also applied the supplementary criteria agreed by the ICSC working group which had reviewed the education grant methodology in 2007 and 2008. According to those criteria, the schools should, in particular:

(a) Be representative of schools commonly and consistently chosen by the expatriate community;

(b) Meet the specific language criteria, cultural and curricular needs of the expatriate staff of the common system at the duty station;

(c) Provide education at all grades of the secondary level leading to an international baccalaureate or equivalent high school qualifications;

(d) Be formally accredited by recognized networks, such as the Council of International Schools, the Western Association of Schools and Colleges or British International Schools Worldwide.

58. The CEB secretariat stated that it had worked closely with the ICSC secretariat in the selection of the representative schools but, as the actual tuition data had not yet been collected from them, particular issues might arise which would need to be addressed by the ICSC secretariat.

59. The Commission supported the proposed approach to updating the list of representative schools, on the basis of the numbers of schools and claims per zone as well as additional factors relating to individual schools. It also agreed that post-secondary schools should be included in the list, given that the continuation of studies beyond the secondary level had become the prevailing trend among the children of staff of the common system, as clearly evidenced in recent education grant statistics. The representatives of FICSA and CCISUA also supported this approach.

60. The procedure for achieving the fee movement trigger was reviewed. The representative of FICSA was of the view that actual tuition fees of representative schools should be tracked cumulatively in case the 5 per cent trigger was not reached during a given period. The Commission examined a situation in which tuition movement could fall consistently short of the 5 per cent trigger point from one biennial review to the next over an extended period covering several reviews. Even though the overall tuition increase could be significant, no adjustment of the grant level would be warranted if an incremental change were not measured cumulatively and the base of time-to-time comparison were reset with every review. In practical terms, a zone with an average tuition increase of 4 per cent per biennium could result in an overall increase as high as 20 per cent over a 10-year period and still no adjustment of the grant would be allowed. The organizations, FICSA, CCISUA and the Commission agreed that this was not the underlying intent of the grant adjustment philosophy and decided to specify that, for the purposes of the fee trigger, the school fee movement should be measured on a continuous basis since the most recent adjustment, even if such an adjustment had taken place several reviews earlier. Once the grant was adjusted, a new round of tracking should begin.

61. The Commission decided to keep the methodology under review and, in that connection, to explore further improvements to the methodology. In particular, it

was suggested that the current list of items under the reimbursable expense limit should be revisited in the near future.

Decision of the Commission

62. The Commission decided:

(a) To recommend that the General Assembly invite the organizations of the common system to adopt the following in order to harmonize the education grant eligibility criteria:

(i) *Minimum age*. The child is in full-time attendance at an educational institution at the primary level or above while the staff member is in the service of the organization. Education shall be deemed "primary" for the purposes of this criterion when the child is 5 years of age or older at the beginning of the school year or when the child reaches the age of 5 within three months of the beginning of the school year;

(ii) *Maximum age*. The grant will not normally be payable beyond the school year in which the child reaches the age of 25. If the child's education is interrupted for at least one school year by national service, illness or other compelling reasons, the period of eligibility shall be extended by the period of interruption. In special education grant cases, it may be exceptionally extended until the child reaches the age of 28;

(iii) *Post-secondary education*. The grant shall be payable up to the end of the school year in which the child completes four years of post-secondary studies, even if a degree is attained after three years;

(b) To continue tracking representative school fees as the basis for adjusting fees and approve the revised list of representative schools as shown in annex II to the present document, including primary/secondary schools and post-secondary schools;

(c) To approve the following criteria for the selection of representative schools:

(i) The school should be representative of schools commonly and consistently chosen by the expatriate community;

(ii) The school should meet the specific language criteria, cultural and curricular needs of the expatriate staff of the common system at the duty station;

(iii) The school should provide education at all grades of the secondary level leading to an international baccalaureate or equivalent high school qualifications;

(iv) The school should be formally accredited by recognized networks, such as the Council of International Schools, the Western Association of Schools and Colleges or British International Schools Worldwide;

(d) To use a cumulative approach to track the movement of fees since the most recent adjustment made for the zone, with all adjustments made on the basis of both movement of costs and fees.

63. The Commission requested its secretariat:

(a) To update the methodology for determining the education grant to reflect all changes made and present it to the Commission at its seventy-second session;

(b) To review the current list of items included under the reimbursable expenses to be discussed in 2011 and provide options for streamlining the processing of claims.

Seventy-first session

64. In presenting its proposals for adjusting the levels of the education grant, the Human Resources Network also identified a number of issues pertaining to the education grant methodology which needed to be addressed. In particular, as mentioned in paragraph 74 below, the Network used the new list of representative schools and attempted to track fee movement at all levels of education as provided in the newly modified methodology. It highlighted the following problems in its presentation to the Commission:

(a) Some universities charge minimal or no fees: for instance, at the University of Paris-Sorbonne a fee of 127 euros (€) was the only fee charged, while the Stockholm School of Economics was free;

(b) In North America some universities have no established annual tuition fees, as tuition is on a per-credit basis;

(c) At several European-based universities such as the Université Libre de Bruxelles, tuition information is available only for Europeans or nationals of the respective countries;

(d) Since university-level fees were not previously tracked and information from previous academic periods was not available, it was impossible to track fee movement at the university level for the current review.

65. The Network also proposed that the following methodological issues be reviewed by the Commission:

(a) That the one-time payment of capital assessment fees be reimbursed at 75 per cent, once per child per staff member assignment; and

(b) That the amount of special education grant for disabled children should be modified to take into account the overall increase in fees associated with educating children with disabilities.

Discussion in the Commission

66. The staff federations supported the proposals made, particularly for the modification of the special education grant. FICSA, however, expressed concern about the difficulty, as explained by the Human Resources Network, in finding information at the post-secondary level, adding that the information was available on university websites. FICSA was of the opinion that the data coverage for post-secondary tuition fees would need to be improved considering the likely impact it would have on the calculation of the maximum admissible expenses in some countries.

67. In addressing the two proposals of the Human Resources Network concerning the one-time payment of capital assessment fees and the maximum education grant for disabled children, the Commission agreed that, while there may be merit to those

proposals, they should be reviewed in the larger context of the methodology review in a holistic and consistent manner. It was also pointed out that the working group on the review of the education grant methodology, which last met in 2007, had done a considerable amount of work, including on the grant for children with disabilities, and that those proposals also should be revisited and combined with the Network's proposals where appropriate.

68. One member of the Commission specifically requested that Canada be excluded from the United States dollar area outside the United States of America. The member questioned the criteria for Canada's inclusion in that zone considering that Canada had such a large number of claims (584 claims) while other countries with far fewer claims like Sweden (21 claims), Ireland (34 claims) and Japan (56 claims) were considered in a separate zone. Of the total number of claims for Canada, 10 per cent were above the ceiling, and roughly one third of all claims were from staff members employed at the International Civil Aviation Organization (ICAO). The remaining two thirds came from staff at various duty stations around the world. A large number of those claims (over 60 per cent) were at the post-secondary level. The high attendance rate of schools in Canada could be attributed to the fact that Canada was able to provide high quality education at all levels in both working languages of the United Nations, providing a reason why both French and English schools should be included in the list of representative schools when the relevant list is reviewed. Finally, the member pointed out that unlike the seven other countries where headquarters duty stations were situated, Canada was the only one without a separate zone. While other members agreed that establishing a separate zone for Canada should be explored, it was pointed out that the current review concerned the level of the grant, and that the issue of the various zones established for the purposes of the education grant was a methodological one which would best be addressed during the next scheduled review of the methodology.

69. Some members of the Commission were of the view that the methodology encouraged staff members to spend more, forcing organizations to pay more, and that if the Commission kept approving additional special measures, the purpose of those measures would be lost. With the review of the methodology scheduled for the biennium 2011-2012, it was believed that that would be an opportune moment to review various aspects of the methodology.

70. As a result of the discussion, a number of additional areas for review were specifically identified. Some of the suggestions made included the possibility of revising the triggers, reviewing the manner in which they were used and the ways in which all zones were adjusted as well as reviewing the criteria for approving special measures. The Commission also felt that the various zones should be reviewed with the possibility of regrouping them. In addition, when selecting representative schools the language of instruction should be given strong consideration. As a result of the difficulties in obtaining data at the post-secondary level, the inclusion of schools at that level should be reconsidered. With regard to the request for the introduction of additional special measures, the Commission also believed that there were problems in the methodology that needed to be addressed.

71. In line with its decision in 2008 to keep under review the education grant methodology (A/63/30, para. 47 (a)), the Commission recalled that many of the recommendations of the working group at its 2007 meeting were still valid and should be studied by the secretariat in combination with the current proposals.

Decisions of the Commission

72. The Commission requested its secretariat to expand its upcoming review of education grant methodology issues and, in particular, include the following additional items:

(a) The underlying philosophy of the education grant;

(b) A review of the list of countries/currency zones: large countries like Canada may be managed separately and smaller countries/zones like Sweden and Ireland may be regrouped;

(c) The list of admissible expenses, which should be streamlined and harmonized using work done in the working group that last reviewed the grant;

(d) The special education grant:

(i) In addition to the list in (c), review the list of admissible expenses as it relates to disabled children, also referring to the conclusions reached by the working group on the matter at its most recent meeting, in 2007;

(ii) Review the education grant ceilings for the special education grant, taking into consideration the cost involved in educating disabled children and the four options presented by the Human Resources Network;

(e) The reimbursement policy relating to one-time capital assessment fees, taking into consideration the proposal made by the Human Resources Network during the current review;

(f) In determining the level of the grant, a revision of the methodology, stating clearly the procedures used in proposing adjustments to the level namely, the triggers, the role of costs and fees, including representative schools used in determining the maximum admissible expenses;

(g) Exploration of various methods for establishing the maximum admissible expenses for the United States dollar area outside the United States;

(h) A review of the list of representative schools based on the experience during this review, taking into account paragraph 64;

(i) A review of the criteria for special measures, taking into consideration such factors as the distance of schools from the duty station and the availability of adequate schools within commuting distance of any given duty station.

73. Pursuant to the Commission's request at the seventieth session, the secretariat will update the methodology to reflect all changes in the existing education grant methodology and present their report to the Commission at its seventy-fourth session.

2. Review of the level of the grant

Seventy-first session

74. For its consideration of the item, the Commission had before it proposals by the Human Resources Network for a review of the levels of the education grant on the basis of the analysis of expenditure data on 14,724 claims for the academic year 2008/09 in the 15 individual countries/currency areas for which the education grant was administered. The analysis was done in accordance with the methodology

approved by the Commission in 1992 and modified in 1997 and at the seventieth session in the first quarter of 2010. The Network also identified a number of methodological issues and proposed changes with respect to the special education grant and one-time payments of capital assessment fees. Those issues are addressed in the present report in the section C.1, which relates to the review of the methodology.

75. With regard to the review of the level of the grant, the Human Resources Network proposed the following:

(a) On the basis of the movement of costs and fees, the maximum admissible expenses should be revised for all individual zones except Belgium, Germany, Ireland and Japan;

(b) Adjust the flat rates for boarding and additional boarding for designated duty stations for all zones except Ireland and Japan;

(c) Maintain, introduce or discontinue special measures at a number of locations.

76. In addition to the Human Resources Network proposals, the representative of the Office of the United Nations High Commissioner for Refugees (UNHCR) proposed that special measures be considered for the International School of Brussels, the British School of Brussels and Saint John's College in Brussels, where tuition fees were well over the ceiling amounts established by the Commission.

Discussion in the Commission

77. In making its proposals, the Human Resources Network recalled that a new list of representative schools was proposed to track tuition in the United States dollar area outside the United States. However, in view of the difficulties described in paragraph 64 above, the Network proposed that the information provided during the current review be used as the baseline for future reviews and that the list of schools be revisited before the next review of the education grant level. Regarding the proposal by UNHCR, the Network noted that Belgium did not meet all the criteria for regular review.

78. The staff representatives supported the proposals by the Human Resources Network and further stressed the importance of the education grant as an expatriate benefit which encouraged mobility, with the representative of UNISERV stating that it was an integral part of conditions of service, which takes into account the Secretary-General's objectives of promoting mobility, achieving gender balance, improving geographic representation and rejuvenating the Secretariat. The current level is one element to help the achievement of those human resources objectives and reduce vacancies in field locations. The representative of CCISUA highlighted the importance of the education grant in facilitating the mobility of staff with dependent children. The steady rise in fees in private institutions worldwide as well as the increasing use of capital assessment fees had placed an additional burden on expatriate staff.

79. In addressing the Human Resources Network's proposals, the Commission reviewed both the movement of school fees and the percentages of claims over the maximum admissible expenses, and expressed concern over the manner in which the methodology was applied as they felt that it should be more strictly followed. The

Commission made direct reference to the methodology, stating that any adjustments should be made on the basis of the movement of cost and fees, and stressed the importance of considering other factors such as past adjustments and the total number of claims in the zone. The Commission decided in all cases to limit the percentage increase in the ceiling to 100 per cent of the fee movement or the percentage increase required to bring 95 per cent of cases within the ceiling, whichever was lower. The Commission considered that the upcoming review of some aspects of the education grant methodology could result in changes to the current zoning and, therefore, did not believe that small zones like Sweden should be adjusted during the present review, as they could be re-grouped to a different zone with a lower ceiling. It also recalled that the cumulative approach approved during the last review should be applied in the case of Germany, which would make the grant level of that country eligible for adjustment. When considering the United States dollar outside the United States, the Commission considered it appropriate to take the average percentage increase of the maximum admissible expenses in other countries/currency zones in the absence of actual data tracking fee movement.

80. With respect to boarding, the Commission reviewed the proposals as summarized in paragraph 75 (b) above and was in agreement with them.

81. In respect of special measures, the Commission considered that this was not the right time to introduce additional special measures because of the scheduled review of the methodology. It agreed to continue the special measures currently in place and to discontinue special measures for Bulgaria as proposed by the Human Resources Network. All other proposals mentioned in paragraph 74 above would best be considered under the review of the methodology. In summing up, the organizations were asked to keep in mind the purpose of the grant; it was not meant to pay off tuition fees in their entirety but to provide assistance to staff members in educating their children while away from their home countries.

82. The Commission noted that the system-wide cost implications of the review of the education grant levels were estimated at $2,820,000 per annum.

Decisions of the Commission

83. The Commission decided to recommend to the General Assembly:

(a) That for Austria, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant be adjusted as shown in annex III, table 1, to the present report;

(b) That for Belgium, Ireland, Japan and Sweden the maximum admissible expenses and maximum education grant remain at the current levels shown in annex III, table 2, to the present report;

(c) That for Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom, the United States and the United States dollar area outside the United States, the normal flat rates for boarding taken into account within the maximum admissible educational expenses and the additional amount for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations be revised as shown in annex III, table 3 to the present document;

(d) That for Ireland and Japan the normal flat rates and the additional flat rates for boarding be maintained at current levels as shown in annex III, table 4 to the present document;

(e) That the special measures for China, Hungary, Indonesia, Romania and the Russian Federation as well as for the eight specific schools in France be maintained;

(f) That the special measures for Bulgaria be discontinued;

(g) That all the above-mentioned measures be applicable as from the school year in progress on 1 January 2011;

(h) In regard to all other proposals, the Commission agreed to defer its decisions, and requested its secretariat to take them into consideration in the context of the next methodology review.

D. Review of pensionable remuneration

84. In its resolution 51/217 of 18 December 1996, the General Assembly requested the Commission, in full cooperation with the United Nations Joint Staff Pension Board, to undertake in 2002 further comprehensive reviews of the methodologies for the determination of the pensionable remuneration of staff in the Professional and higher categories and the General Service and related categories, and for the adjustment of the pensionable remuneration between comprehensive reviews, and to submit recommendations thereon to the Assembly at its fifty-seventh session. After deferrals in 2002, 2004 and 2005 due to the pay and benefits review ongoing at that time, which could have had implications for pensionable remuneration, this item was placed on the Commission's programme of work for 2010-2011.

85. The Commission reviewed background information relating to the review, the issues to be considered and the proposed working arrangements during the review. The initial list was discussed at the fifty-seventh session of the Pension Board meeting. One item originally proposed by the Board, reverse application of the special index, was dropped and another, small pensions, was added. The Pension Board did not agree that an actuarial comparison between the United States and United Nations pension schemes should be conducted and saw no merit in conducting a cost-to-employer comparison. Instead, it suggested that similar pension schemes of other international organizations be considered as well as other national pension schemes. The Pension Board was in agreement with the proposed working arrangements which, inter alia, proposed that documents on the review would be first discussed during the Commission's seventy-second session, to be held from 21 March to 1 April 2011, at which a representative of the Pension Board would be present; additional work would be conducted and a final report would be discussed at the Pension Board's fifty-eighth session and later presented to the Commission at its seventy-third session in July 2011 for final approval. This would be followed by a joint report of the Commission and the Pension Board, which would be submitted to the General Assembly. The following items presented to the Commission for its approval:

Items proposed by the secretariat of ICSC:

(a) The common scale of staff assessment;

(b) The income replacement ratio;

(c) Actuarial comparison of the United States/United Nations pension schemes;

(d) Cost comparison of the United States/United Nations pension schemes;

Items proposed by the Pension Board:

(a) Non-pensionable component;

(b) Double taxation;

(c) Impact of steep devaluation of local currency and/or high inflation;

(d) Small pensions.

Discussion in the Commission

86. The Human Resources Network welcomed the review, stating that it was long overdue. It also welcomed the oral update provided on the outcome of the Pension Board's discussions. The Network supported the items proposed for the review, in particular the items regarding income replacement ratios and double taxation. The Network looked forward to the joint report of the ICSC and United Nations Joint Staff Pension Fund secretariats to be presented to the Commission at its seventy-second session, in 2011.

87. FICSA spoke on behalf of all three staff federations and agreed that the review was due, stating that pensions were of crucial interest to staff, especially if one considered the growing interest in other issues related to the plan, such as the age of retirement and the impact on the Pension Fund's long-term sustainability. They did not believe that actuarial or cost comparisons should be conducted between the United States and United Nations pension schemes, as the plans were so different. Instead, they supported the Pension Board's proposal that comparisons with other similar pension schemes should be conducted, paying particular attention to income replacement ratios. While expressing their support for all items on the list, the staff representatives were not in favour of the proposed working arrangements, stating that they did not include a mechanism for consultation with those organizations before the report would be considered in the first quarter of 2011. Given the importance of the subject and its relevance to the overall conditions of employment, they requested the Commission's approval for the staff federations to work with the ICSC secretariat during the review so as to provide comments by the staff on the issues being reviewed, if necessary, by means of video/telephone conferences or some ad hoc form, prior to the seventy-second session.

88. The Commission was in favour of all items except the actuarial comparison between the United States federal civil service and United Nations pension schemes, stating that such a comparison would be of little relevance considering that the two plans were fundamentally different. That being the case, it was proposed by some members that a comparison of the cost to the employer would be an acceptable approach.

89. Reacting to the proposal that other international and national pension schemes be compared to the United Nations pension scheme, the Commission emphasized that this was not an option, as the United States federal civil service was the comparator.

90. Regarding other items on the list, the Commission agreed that it was important that the average length of service among the professional and higher and the General Service and related categories of staff be reviewed to determine the need for any changes to the income replacement ratios. Members noted that the issue of double taxation stemmed largely from a misconception which could be put to rest if the role of taxes was explained and clarified within the context of United Nations pensions. There was strong support for reviewing small pensions as well as the impact of steep devaluation of local currency and/or high inflation. Some members noted that the non-pensionable component relating to the General Service and related categories was being reviewed in the context of the review of the General Service salary survey methodologies and hence, it would be appropriate to take into consideration the recommendations reached therein.

91. While some members of the Commission were of the opinion that the review was of a technical nature and that the preparatory work should be conducted by the secretariats of ICSC and the Pension Fund, as suggested in a note by the ICSC secretariat, others believed that a formal working group including members of the Commission and the staff federations should be convened for that purpose. It was pointed out, however, that during the last comprehensive review in 1996, the working arrangements were similar, that is, documents prepared by the two secretariats were reviewed by the Pension Board and the Commission. The Commission therefore supported the working arrangements as proposed in the note.

Decision of the Commission

92. The Commission decided that the following items should be reviewed:

(a) The common scale of staff assessment;

(b) Income replacement ratios;

(c) Cost comparisons of the United States/United Nations pension schemes;

(d) Double taxation;

(e) Non-pensionable component;

(f) Impact of the steep devaluation of local currency and/or high inflation;

(g) Small pensions.

In addition, the Commission decided:

(a) To approve the work schedule as outlined in paragraph 85;

(b) That the secretariats of the Pension Fund and the ICSC would meet informally and as necessary to complete the review in accordance with the working arrangements proposed in the document. The recommendations will be presented to the Commission at its seventy-second session, to be held from 21 March to 1 April 2011.

E. Separation payments: termination indemnity

93. The Commission considered the issue of the application of the termination indemnity in response to a request by the General Assembly, contained in resolution 64/231 (sect. B.1, para. 3). As both the Assembly and the Commission had recently

expressed their support for the existing termination indemnity schedule,[3] the Commission's consideration focused on practical application of the termination indemnity scheme. A review of staff separations was conducted, inter alia, with a view to assisting the Assembly in assessing the situation and addressing the concerns that some delegations had expressed about cases of possible abuse of the system.

94. The review was based on data collected by the ICSC secretariat from common system organizations, covering the three-year period from 2007 to 2009. Thirteen organizations[4] employing approximately 70,000 staff provided data and were included in the analysis. The graph and table 1 of annex IV provide a general overview of the separation data provided. Table 2 of annex IV focuses on termination indemnity cases, by years of completed service and by the unexpired remainder of service term. Further details can be provided to the Assembly if required.

Discussion in the Commission

95. The Human Resources Network took note of the comprehensive data and analysis of termination indemnities and expressed the hope that, with the results of the present analysis at hand, the General Assembly would be in a position to complete its review of separation payments, including the issue of end-of-service severance pay, which it had postponed in 2009. The three staff federations agreed that the data analysis proved that there had been no misuse of the termination indemnity scheme.

96. In response to the Network's comment regarding the end-of-service payment, one Commission member expressed the view that the issue should not be reverted to the Assembly. It was not timely, given current economic conditions in Member States and also in view of the generally high levels of the compensation packages of the United Nations common system employees. Furthermore, this member believed that any future consideration of separation payments should be examined in a broader context covering all pay and benefits.

97. The Commission noted that, in cases where the termination indemnity was based on the length of completed service, namely, those involving all continuing contracts and fixed-term contracts with more than five years of cumulative service, the number of separating staff remained low and relatively stable for both continuing and fixed-term contracts, with minor variations recorded and with the overall number of cases gradually declining as the service tenure increased. This was particularly true for all staff with 10 or more years of service, irrespective of contract type.

98. In cases where the indemnity was based on the unexpired remainder of the contract, namely, those involving fixed-term staff with five or fewer years of service, the number of terminations was lower for cases with longer unexpired

[3] See resolution 63/271, para. 3; and A/64/30 and Corr.2, para. 59 (a).

[4] Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, International Labour Organization, United Nations, United Nations Educational, Scientific and Cultural Organization, United Nations Industrial Development Organization, United Nations Population Fund, Office of the United Nations High Commissioner for Refugees, United Nations Children's Fund, United Nations Office for Project Services, World Food Programme, World Intellectual Property Organization and World Meteorological Organization. Although the World Tourism Organization and the United Nations Relief and Works Agency for Palestine Refugees in the Near East also responded, either they did not have any cases to report or the data were incomplete.

remainders but still remained low in absolute terms (between one and nine cases in the three-year period). The only exception to this general trend was the number of departures with one to two months of service remaining, which totalled 40 in the three-year period. The United Nations confirmed that the majority of those cases (24) occurred either in the United Nations Interim Administration Mission in Kosovo or in the International Tribunal for the Former Yugoslavia, as a result of the downsizing of those operations in 2008-2009. In that regard, it was pointed out that owing to their very nature, United Nations peacekeeping operations had to operate under shorter and less predictable mandates than the rest of the system and often had to downsize or close quickly, subject to Security Council decisions.

99. One member pointed out that abuse might have occurred when staff on fixed-term contracts left near the end of their term, but before the contract expired. Out of 234 agreed termination cases of fixed-term staff included in the analysis in table 2 of annex IV, 95, or 41 per cent, occurred within the last three months of contract expiration. Out of the group of 95, 57 or 60 per cent had fewer than five years of service and received the termination indemnity at the minimum of six weeks of net base salary, while 38 staff members, or 40 per cent, had six or more years of service and received a minimum of three months up to a maximum of 12 months of base salary. Leaving two weeks before the contract expired could result in a termination indemnity of 12 months of base salary. The organizations were not being cost-effective when it was possible to retain the staff member until the expiration of the contract and pay no termination indemnity. According to this member of the Commission, the benefit had been designed poorly and it appeared that there were cases of abuse. In that connection, the member believed that upon the next review of the termination indemnity, the scheme should be designed to compensate the staff member for the unexpired term of their contract, rather than for the length of completed service, when it was necessary to terminate the staff member early.

100. The majority of the Commission's members agreed, however, that the data provided by the organizations and the trends identified by their analysis did not seem to suggest any inappropriate application of the termination indemnity. The arrangement was utilized on a limited basis and the staff separation trends appeared to be driven by the operational needs of the organizations, including those of the peacekeeping operations, and not by the desire to maximize the levels of payments.

Decision of the Commission

101. The Commission decided to report the following to the General Assembly:

(a) That it had reviewed about 1,200 cases of termination indemnity paid by common system organizations during the three-year period 2007-2009;

(b) That the termination indemnity was used on a limited basis and covered approximately 1 per cent of the total General Service and Professional staff and about 14 per cent of all separations;

(c) That, while some fluctuations in termination indemnity numbers did exist among the organizations and contract types, the analysis of the available data did not demonstrate that there was inappropriate application of the scheme, and that the overall termination indemnity-based separation trends appeared to be driven by the operational needs of the organizations.

F. Update on contractual arrangements (including appointments of limited duration)

102. In accordance with article 15 of its statute, the Commission examined the question of contractual arrangements on several occasions, dating as far back as 1979. Such reviews focused on determining issues of the career and non-career civil service according to the needs of the organizations of the United Nations common system and on the types of appointment used in the common system with a view to rationalizing the ever increasing types of contracts used. The Commission considers that contractual arrangements are at the very heart of a compensation system and are vital to the efforts of the organizations of the United Nations common system to recruit and retain high calibre staff.

103. At its fifty-seventh session (July 2003), the Commission reviewed proposals for the establishment of a general framework for contractual arrangements outlining three categories of appointment that would serve as policy guidelines for the organizations of the common system. Following extensive reviews of the subject, the Commission decided that three categories of appointment would respond adequately to the needs of the organizations: continuing appointments, fixed-term appointments and temporary appointments. In 2005, the Commission adopted a framework for contractual arrangements for the organizations of the common system and the framework of guidelines for each category, as contained in the ICSC 2005 annual report (A/60/30 and Corr.1, annex IV). The framework was considered by the General Assembly in 2006, and the work done by the Commission was noted in Assembly resolution 61/239.

104. At its sixty-second session (March 2006), the Commission considered a report on staffing of field missions: review of conversion of contractual instruments. The Commission requested its secretariat to review all types of current contracts and associated benefits packages in the organizations of the United Nations common system, including the use of appointments of limited duration under the 300 series of the Staff Rules.

105. In accordance with the Commission's request, at its seventieth session, the secretariat of the Commission submitted a document containing details on the implementation status of the ICSC framework for contractual arrangements throughout the common system and on all available types of contracts in the organizations, as well as information on the recent developments of contract reform in some organizations. The document also examined the current situation with regard to appointments of limited duration in the organizations of the common system. The information presented in the document was collected through a questionnaire survey covering all organizations in the United Nations common system, to which all 23 organizations responded.

106. The document presented the first update on contractual arrangements since the approval of the ICSC framework for contractual arrangements in 2005. As of July 2009, 12 organizations[5] out of 23 (52 per cent) in the common system had implemented the ICSC contractual framework. Within the last five years, 13 organizations in the common system have implemented changes in their contractual

[5] The United Nations, UNDP, UNFPA, the United Nations Office for Project Services, UNHCR, UNICEF, ITC, FAO, UNESCO, UPU, ITU and IFAD.

policies. Meanwhile, some other organizations are contemplating a review of their contractual policies in the near future.

107. Appointments of limited duration, as of July 2009, were still a part of the ICSC framework for contractual arrangements defined under temporary appointments. At its sixty-fourth session, the Commission recommended to the Assembly that the appointments of limited duration under the 300 series be phased out in non-family duty stations in favour of the fixed-term contracts defined under its framework. At that time, seven organizations in the common system employed staff under appointment of limited duration contracts. Six of those organizations were, however, in the process of phasing out such contracts. Only UNESCO had not yet decided to phase them out; however, it recognized the problems in their use.

Discussion in the Commission

108. The Human Resources Network took note of the update on contractual arrangements and expressed some concern regarding the data presented in the annexes of the report. The Network wished to suggest that a glossary of terms should be included to ensure that everyone uses the same terminology.

109. The representative of FICSA noted the very high compliance rate by the organization in replying to the questionnaires circulated by the ICSC secretariat. However, FICSA expressed its disappointment at the low implementation rate (52 per cent) of the ICSC contractual framework, and asked for clarification of the interpretation of such data, with particular reference to those organizations that reportedly had experienced difficulties in its implementation. FICSA underlined the need to harmonize the benefits to temporary staff, including leave benefits of contracts of more than one month duration. The representative of FICSA also stated that the inappropriate use of appointments of limited duration might also impact on the organizations' policies related to HIV prevention and treatment, since HIV-positive staff on short-term contracts appeared to refrain from seeking treatment, owing to the concern that disclosing their health condition could result in non-renewal of their contracts.

110. The representative of CCISUA welcomed the reference to the employment contract being at the "heart" of a compensation system, but felt that the issue of so-called "non-staff" would impact on the functioning of the system. Many had requested greater clarity regarding the "exceptional" long-term use of temporary assignments. CCISUA had followed the discussions over contractual arrangements within the Staff-Management Coordination Committee, and its members had invested a great deal of time and energy seeking a workable solution. While they lamented the lack of agreement in that Committee, the CCISUA members remained committed to the principle that continuing contracts would cover all qualifying staff equally. CCISUA questioned the fact that the Commission was called upon to reiterate its commitment to the principles and guidelines governing the use of appointments of limited duration, which did not fit within the contractual framework.

111. The Commission noted with appreciation that all organizations of the common system had responded to the questionnaire survey conducted by its secretariat. The Commission was also pleased to note that more than 50 per cent of organizations had already implemented its framework for contractual arrangements. The information on the recent developments of contract reform in some organizations

showed the efforts those organizations had made towards implementing the ICSC framework.

112. With regard to contractual reform in the United Nations, the representative of the United Nations informed the Commission that the amendments to the Staff Rules were successfully implemented for the United Nations and its funds, programmes and specialized agencies, effective 1 July 2009. Though there were some issues related to temporary contracts of 11 months, in general the transition exercise for the staff in the field was smooth. Under the new contractual framework, the fixed-term appointments had a minimum duration of one year. All conversions, including categories from the former 200 and 300 series, were done through review boards. Continuing appointments had not yet been implemented, as the General Assembly questioned the scope of the proposed eligibility criteria for conversion, which included five years of service under fixed-term appointment with good performance. The Member States considered that the proposed eligibility criteria were too broad and would result in a wider pool of staff being converted into continuing contracts.

113. The Commission recalled its decision at its sixty-fourth session to phase out appointments of limited duration in non-family duty stations in favour of fixed-term contracts. Since the jurisdiction of the working group was limited to non-family duty stations and their recommendation to the Commission was therefore limited to staff employed under appointment of limited duration contracts working at non-family duty stations, the decision of the Commission to phase out such appointments could not be extended beyond non-family duty stations at that time. The Commission, in examining the broader use of appointments of limited duration, was of the opinion that such contracts no longer met the needs of the organizations. Furthermore, there was significant variation in the compensation of similarly situated staff. The compensation offered under these contracts was not comparable to other contract types in the common system organizations. As a result, it created inequity among staff working at the same duty station, side by side, and also affected staff morale. Therefore, the Commission decided to remove appointments of limited duration from its framework for contractual arrangements.

Decision of the Commission

114. The Commission decided:

(a) To remove the reference to contracts for a limited duration of up to four years from its framework for contractual arrangements and revise the framework accordingly, as presented in annex V, with an effective date of 1 January 2011;

(b) To request the organizations of the United Nations common system to phase out appointments of limited duration from their staff contracts by not issuing new contracts of this category after 31 December 2010;

(c) To invite the United Nations Secretariat to inform the Commission at its seventy-first session of the Secretary-General's revised proposals for the introduction of the contractual framework, in particular the modalities for granting continuing contracts.

Chapter IV

Conditions of service of the Professional and higher categories

A. Base/floor salary scale

115. The concept of the base/floor salary scale was introduced with effect from 1 July 1990 by the General Assembly in section I.H of its resolution 44/198. The scale was set by reference to the General Schedule salary scale of the comparator civil service in Washington, D.C. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with weights of 33 per cent and 67 per cent, respectively).

116. The Commission was informed that, as from 1 January 2010, the General Schedule of the comparator had increased by 1.5 per cent on a gross basis. Combined with the tax changes recorded at the federal level in Washington, D.C., and in the States of Virginia and Maryland, the above-mentioned increase in gross comparator salaries translated into a net increase of 1.37 per cent as compared with the 2009 levels.

117. While generally neutral in terms of salary-related costs, the adjustment could, nevertheless, have a financial impact on duty stations where the post adjustment is too low to absorb a base salary increase. For 2011, however, no duty stations were expected to have a post adjustment that would otherwise fall below the new base/floor salary scale, and therefore no financial implications were projected under this item. As the amount of separation payments continued to be linked to the base/floor salary scale, the increase in the base/floor scale resulted in the following financial implications:

(United States dollars)

(a) For duty stations with low post adjustment where net salaries would otherwise fall below the level of the new base/floor	—
(b) In respect of the scale of separation payments	673 000
Total annual financial implications	**673 000**

Discussion in the Commission

118. The Human Resources Network and the representatives of FICSA, CCISUA and UNISERV supported the proposed adjustment to the base/floor salary scale.

119. The Commission noted that the comparator's General Schedule (base) salary scale increase of 1.5 per cent as from 1 January 2010, combined with the effect of tax changes, had resulted in GS-13/GS-14 salary levels that were 1.37 per cent higher than the current base/floor salary scale. It recalled that, to maintain the base/floor scale in line with the General Schedule levels of the comparator, the proposed increase would be implemented through the standard method of consolidating 1.37 per cent of the post adjustment into the base/floor salary scale,

effective 1 January 2011. The Commission took note of the financial implications related to the proposed adjustment, estimated at $673,000 system-wide.

Decision of the Commission

120. The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 1.37 per cent through the standard consolidation procedure, that is, by increasing base salary while commensurately reducing post adjustment levels, with effect from 1 January 2011. The proposed base/floor salary scale is shown in annex VI to the present report.

B. Evolution of the United Nations/United States net remuneration margin

121. Under a standing mandate from the General Assembly, ICSC continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of the United States federal civil service employees in comparable positions in Washington, D.C. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States federal civil service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington, D.C.

122. The Commission was informed that for calendar year 2010, the total increase for federal employees in the Washington, D.C., area, taking into account the adjustment of both base pay and the locality rate, was 2.42 per cent effective 1 January 2010. The increases in the other related pay systems included in the margin calculations ranged from 1.5 to 2.5 per cent.

123. Also relevant to the comparison were the following:

(a) The revision of federal income tax brackets, which resulted in a small reduction in income taxes for all taxpayers in the Washington, D.C., metropolitan area;

(b) A post adjustment multiplier of 63.5, which would remain unchanged throughout the year 2010. The multiplier was applied to the current net base/floor salary scale, which became effective as at 1 January 2010;

(c) The new matrix of grade equivalencies between the United States federal civil service and the United Nations common system, approved by the Commission during the present session (see paras. 131-139);

(d) A revised cost-of-living differential between New York and Washington, D.C., estimated at 112.7.

124. On the basis of the above, the margin for 2010 was estimated at 113.3, with its five-year average (2006-2010) standing at 114.0.

Discussion in the Commission

125. The Human Resources Network and the representatives of FICSA, CCISUA and UNISERV noted the estimated margin level for the period from 1 January to 31 December 2010. They reiterated their concern that the average margin level for the past 5 years remained below the desirable level of 115.

126. The Commission was informed that the new grade equivalencies resulting from the latest study conducted by the secretariat and approved by the Commission in the present session had been incorporated in the current margin calculation. The Commission noted that, based on the approved methodology, the resulting margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2010 was estimated at 113.3.

127. The Commission also recalled that the General Assembly, on a number of occasions, had reaffirmed that the range of 110 to 120, with a desirable midpoint of 115, for the net remuneration margin, should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint over a period of time.

128. Some members of the Commission expressed concern over aspects of the margin methodology, such as the weighting used in the comparison of the United States/United Nations net remuneration, and considered that they should be examined at the time of the next review of the margin methodology.

Decision of the Commission

129. The Commission decided to report to the General Assembly that the margin forecast between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the United States federal civil service in Washington, D.C., for the year 2010 was estimated at 113.3. It also decided to draw the attention of the Assembly to the fact that the current average margin level for the past five years (2006-2010) was estimated at 114.0, which remained below the desirable midpoint of 115. Details of the margin calculation are contained in annex VII to the present report.

130. The Commission decided that its secretariat should commence work on the review of the net remuneration margin methodology in 2011 and to report on its findings at the seventy-fifth session of ICSC.

C. Establishment of grade equivalencies between the United States federal civil service and the United Nations common system

131. The Commission, as part of its regular cycle, reviewed an updated grade equivalency study with the current comparator, the United States federal civil service. The establishment and validation of grade equivalencies between the United Nations and the comparator are key components of the calculation of the net remuneration margin and have been conducted by ICSC over a five-year cycle. Difficulties in accessing the data prevented the conduct of a full study in 2005. Hence the previous complete study was carried out in 2000.

132. The current study involved equivalencies for approximately 500 posts representing the most populous occupation groups within the United Nations common system and included posts from the United States General Schedule and other special pay systems in Washington, D.C.

133. The Commission reviewed the results of the study and of the validation exercise organized with the United States federal civil service. The Commission also reviewed the results of the net remuneration margin calculations based on the incorporation of the results of the study and noted that the outcome was a revised margin of 113.3 for the calendar year 2010 as compared to 112.7 based on the existing grade equivalencies.

Discussion in the Commission

134. The Human Resources Network indicated that it was pleased that the study had been completed after a 10-year interval. It expressed concern about the difficulties that were reported in undertaking the study. It was felt that the difficulty encountered in obtaining the data pointed to a fundamental flaw in the methodology. The Network therefore requested that the Commission revisit its methodology for conducting future studies.

135. FICSA noted the increasing difficulty experienced in collecting data for the grade equivalency study, observing a certain degree of similarity with other benchmarking exercises performed by the secretariat for locally recruited categories. The slight increase in the net remuneration margin, from 112.7 to 113.3, was noted. FICSA however, expressed disappointment at the fact that the margin still remained below the desirable level of 115.0. While accepting the results of the study, FICSA called attention to the recommendations for future studies and suggested that further analysis be carried out. The representative was of the view that the recommendation to use a reduced sample of jobs, without compromising the overall reliability of resulting equivalencies, should be further analysed.

136. CCISUA requested the Commission to pay attention to the question of the ability and willingness of the United States federal civil service to provide the requisite data for the study. UNISERV expressed concern about the level of consensus reached between the classifiers of the United Nations and those of the United States during the validation exercise, and questioned whether specific occupational groups were affected. The spokesperson also made the observation that, in the area of data collection, the difficulties were similar to those experienced with the General Service salary surveys. He called for a simplification of the methodology. Remarking on the reported difficulties in obtaining data for the study, the spokesperson expressed the opinion that a reduction in the number of benchmark jobs might add value to the exercise in the future.

137. The Commission considered that notwithstanding the completion of the 2010 study, there were still limitations in carrying out the exercise. The lack of established lines of communication between the ICSC secretariat and officials in the comparator civil service was seen as a major impediment. The need to find simpler, less labour-intensive mechanisms for job sampling was reiterated. The Commission recalled that it had requested its secretariat to explore alternative approaches to the current job-by-job comparisons and to measure the periodic impact that grade equivalency exercises had on margin calculations, in order to determine a better frequency for job comparisons. In that context, the Commission discussed

recommendations which involved the collection of data on fewer occupations annually and/or utilizing vacancy notices from the comparator's website. It was also recommended that with the application of a non-linear regression analysis, smaller samples could be used from fewer agencies within the comparator's system while maintaining valid results. After taking those recommendations into account, the Commission decided to request the Advisory Committee on Post Adjustment Questions to examine the recommended approaches and report on their statistical validity.

138. The Commission urged its secretariat to continue to explore and test various approaches with a view to simplifying the present process. One member suggested that benchmarks be developed for the most populous occupations at the various United Nations grades, and that the appropriate United States officials be requested to perform a one-time exercise to grade such benchmarks against the United States standards. That approach would establish a baseline grade equivalency. To accomplish a new comparison thereafter, the United States would be asked if any new United States standards had been issued for the occupations of interest to the United Nations; if no new standards had been issued, there would be no change in the grade equivalencies. The necessary studies should be pursued with all urgency before the beginning of the next five-year cycle.

Decisions of the Commission

139. The Commission decided:

(a) To approve and accept the results of the new grade equivalency study;

(b) To request the Advisory Committee on Post Adjustment Questions to review statistical methods recommended in the present report to determine their appropriateness for establishing equivalencies and calculating the net remuneration margin, and to report to the Commission at its seventy-second session;

(c) To request its secretariat to review the methodology for determining the grade equivalencies with the comparator with a view to simplifying it;

(d) To report to the General Assembly that it had conducted a new grade equivalency study as part of its regular review.

D. Review of gender balance in the United Nations common system

140. In 1995, the General Assembly called for 50/50 gender distribution at senior levels, and in 1996, it stipulated that the distribution was to be reached at all levels in the Professional category and above by 2000. Further, the Assembly reaffirmed the 50/50 goal in 1998 and 2005. Under its mandate from the General Assembly, ICSC has periodically addressed the status of women in organizations of the United Nations common system. The Commission reviewed the status of women in the organizations of the common system in 1985, 1993, 1998, 2004, 2006 and 2008.

141. At its sixty-seventh session (July 2008), the Commission expressed its serious concern that the goal of a 50/50 gender balance, especially at the D-1 level and above, remained unmet with negligible improvements. It also noted with disappointment that many organizations had not implemented its previous recommendations. It urged the organizations that had not yet done so to designate a

senior-level focal point for gender issues to provide leadership in formulating plans and strategies for achieving gender balance, including responsive workforce and succession planning to cater for retirements, and also to set realistic annual gender goals for their organizations and conduct annual reviews to assess progress towards those goals. Further, the Commission encouraged the organizations to hold managers accountable, through their annual performance appraisal, for achieving established gender goals, and to focus on strategies for retaining women at the mid-level Professional grades. The Commission urged organizations to consider granting authority to selection and promotion review bodies to overrule selection decisions when a qualified man was selected over an equally qualified woman, as a special measure until such time that the 50/50 gender goal was met at all levels. In addition, the Commission decided to take the leader in instituting systematically designed mandatory exit interviews in all organizations and, therefore, requested its secretariat, in collaboration with the representatives of organizations and staff bodies, to develop a questionnaire for exit interviews to be used across the common system. It also requested its secretariat to explore the feasibility of establishing an inter-agency roster of qualified women to be available to organizations of the United Nations common system, and to continue to monitor future progress in achieving gender balance every two years and to report on the issue at its seventy-first session, including on the status of the implementation of its recommendations (A/63/30, para. 109).

142. At its sixty-eighth session (March/April 2009) the Commission considered reports providing updates on the work on the feasibility of establishing an inter-agency roster of qualified women and on the progress towards developing a well-structured exit interview questionnaire. The Commission decided not to pursue the establishment of an inter-agency roster of qualified women candidates as experience elsewhere had shown that such measures were not cost-effective and did not serve any practical purposes, and to recommend instead that various other strategies be explored by the organizations towards achieving gender balance (A/64/30 and Corr. 2, para. 88).

143. With regard to the exit interview questionnaire, the Commission decided to request its secretariat to work closely with the CEB secretariat and staff representatives to finalize and pilot a standard exit interview questionnaire for use across the United Nations common system, and to identify the mechanism for central data reporting. Pursuant to the Commission's request, the Human Resources Network agreed on a model questionnaire which was sent by the CEB secretariat to directors of human resources in all organizations on 30 April 2009 for implementation by 1 July 2009. At the seventieth session, Network provided a report to the Commission on the implementation of the exit interview questionnaire in the United Nations organizations.

144. In its resolution 63/251, the General Assembly noted with disappointment the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular their significant underrepresentation at senior levels. While taking note of the decisions of the Commission contained in its 2008 annual report (A/63/30, para. 109), the Assembly requested the Commission to continue to monitor future progress in achieving gender balance, including the aspect of regional representation if it deemed it appropriate, and to make recommendations on practical steps that should

be taken to improve the representation of women in the organizations of the United Nations common system.

145. In its resolution 64/231, the General Assembly welcomed the decision of the Commission (A/64/30 and Corr. 2, para. 88) to encourage the organizations of the common system to promote and implement innovative approaches, such as outreach initiatives, to attract, develop and retain the most talented men and women, while at the same time reiterating its disappointment with the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system. It also requested the Commission to review measures taken by organizations participating in the common system concerning the implementation of paragraph 3 of Article 101 of the Charter of the United Nations and to report its findings, as appropriate.

146. The report presented by the secretariat at its seventy-first session included staffing data on current composition, recruitment, promotion, separation and retirement by gender, grade and type of post, as well as the distribution of staff members by gender and region of origin. The scope of the review extended to international staff holding an appointment of one year or more at the Professional and higher categories during the monitoring cycle from 1 January 2007 to 31 December 2008. Further, the report analysed available gender-sensitive policies and measures for recruitment, promotion, retention (work/life policies), gender awareness (including policies on harassment) and monitoring and accountability that had been put in place to support a work environment conducive to achieving gender balance in the organizations. The report also updated the information on targets, focal points and women's groups contained in the previous report, on the basis of the information provided by the organizations.

147. The overall representation of women had increased from 38.8 per cent in December 2006 to 39.4 per cent in December 2008, with an increase of 0.6 per cent (or 0.3 per cent annual growth). As at 31 December 2008, at the D-1 and above levels, women made up 27.9 per cent overall compared to 25.8 per cent in 2006, with an overall increase of 2.1 per cent accrued during the two-year period. The overall trends in the representation of women by type of post since 1996 showed that there was a gradual increase of women among the posts subject to geographical distribution compared to the posts not subject to geographical distribution, and the pattern was consistent over the years. According to the analysis of the regional representation of women in the organizations of the United Nations common system, women from Western Europe (including North America) constituted more than a half of the population of professional women (55.8 per cent) while the proportion of professional women from Africa, Asia, Eastern Europe and Latin America and the Caribbean combined represented only 44.2 per cent overall.

Discussion in the Commission

148. The Human Resources Network noted that slight improvements had been made in achieving the goal of 50/50 gender balance at all staffing levels. However, it recognized the need for continued efforts throughout the United Nations common system and was committed to share best practices among organizations.

149. The representatives of the three staff federations, namely, FICSA, CCISUA and UNISERV, were dismayed to note that although it had been agreed in 1995 that the goal of 50/50 gender balance, especially at higher levels, was to be achieved by

2000, a decision which had been subsequently reaffirmed, that goal remained largely unmet a decade later, with negligible or no improvements. FICSA urged the organizations to comply with the previous recommendations of the Commission, in particular holding managers accountable for the achievement of gender goals and enhancing career development for women at mid-level in the Professional category. In regard to geographic representation, CCISUA noted that there still remained a regional imbalance. Western Europe and North America represented the highest percentage overall of women in the United Nations common system, with a decrease observed for Africa, Asia, and Latin America and the Caribbean. UNISERV pointed to the apparent disconnect between gender-sensitive policies and their implementation, and stressed the need for a coordinated and harmonized approach in devising long-term measures to attract and retain competent women and men. Further, all three federations were in agreement that the United Nations could be a true employer of choice if it supported an organizational culture where gender parity and diversity created the core of a positive work environment, and both women and men were equally empowered and valued.

150. The Commission expressed its appreciation for the document prepared by its secretariat, which provided useful data and analysis. In reviewing the information, the Commission expressed its disappointment at the negligible progress made with regard to the representation of women, and in particular the insignificant improvements made at the D-1 level and above. It emphasized that it was essential to secure women's participation in the decision-making process, especially at managerial levels, in order to expect concrete advancement in the status of women. Some Commissioners nevertheless noted that some progress had been made and that this should be recognized. The Commission noted with concern that the organizations had not implemented the recommendations presented in its 2006, 2008 and 2009 annual reports.

151. With regard to the regional representation of women, the Commission observed that the trend was consistent with previous years. The Commission was of the view that the figures highlighted the need to incorporate such diversity elements as geographical balance into the recruitment process, and also the need for more detailed analysis of the recruitment and separation patterns of women by region of origin.

152. In terms of policies and measures to achieve gender balance, the Commission noted that a sufficient number of policies and measures were already in place. The challenge remained to implement the policies effectively to yield the intended outcomes. In that regard, the Commission recognized that robust and credible accountability mechanisms that gave strength to the policy of gender were central to meaningful implementation. The Commission also felt that the two-year review cycle might be too short to monitor the change in order to observe progress with regard to representation of women and the impact of the implementation of gender-sensitive policies. Therefore, the Commission agreed to monitor future progress in achieving gender balance in the organizations of the United Nations common system every four years as compared with the current two-year period.

153. In general, the Commission was of the view that it was time to focus on serious action plans, including feasible special measures, towards achieving gender balance in the organizations of the common system. The Commission was, however, in agreement that any such special measures should not compromise the professionalism

and competence of staff. Nevertheless, it considered that such special measures should be implemented, in conformity with Article 101, paragraph 3, and Article 8 of the Charter of the United Nations, to eliminate existing barriers that impede attracting, recruiting and retaining qualified women. Some members stressed the need for equity in the overall approach to gender balance and expressed the view that any measure should ensure equal opportunity for women and men.

154. The Commission recognized that there were other entities that monitored and reported on the status of women in the United Nations common system. It emphasized the importance of coordinating with those entities to increase effectiveness with regard to data collection and information-sharing and avoid duplication of efforts, and to minimize time and cost involved in conducting the required surveys and subsequent analyses. Therefore, the Commission requested its secretariat to liaise with those entities in monitoring and reporting on gender balance in the United Nations common system.

Decision of the Commission

155. The Commission decided:

(a) To express concern that the goal of 50/50 gender balance, especially at the D-1 level and above, remained unmet without any noticeable progress;

(b) To note with disappointment that the organizations had not implemented all its previous recommendations;

(c) To recall the recommendations outlined in its previous reports (A/61/30, A/63/30 and A/64/30 and Corr.2);

(d) To urge organizations to enforce existing gender balance policies and measures, including the Commission's previous recommendations, and to conduct regular monitoring on the level of implementation;

(e) To urge organizations to incorporate such diversity policies as geographical balance into gender strategies and policies;

(f) To request organizations to hold managers accountable through their annual performance appraisal for achieving established annual gender targets;

(g) To request its secretariat to coordinate monitoring and reporting on gender balance with other entities in the United Nations common system and explore the feasibility of establishing a common data depository for future data collection;

(h) Henceforth, to monitor future progress in achieving gender balance in the organizations of the United Nations common system every four years, and to request the secretariat of the Commission to provide a report on the issue at its 79th session, in 2014.

E. Children's and secondary dependant's allowances: review of the level

156. In the context of its biennial review of dependency allowances for the Professional and higher categories, the Commission considered the levels of children's and secondary dependant's allowances. In line with the revised

methodology for the children's allowance approved by ICSC at its sixty-sixth session, an updated amount of the global United States dollar flat-rate was calculated following the revisions in the tax provisions and social legislation payments since the last review in 2008. This global flat rate amounting to $2,929 was established on the basis of the levels of child benefits recorded at the eight headquarters duty stations at the reference income level of P-4, step VI, weighted by the number of staff at those locations. The secondary dependant's allowance, set at 35 per cent of the children's allowance, amounted to $1,025. The flat-rate amounts would be converted to local currency using the official United Nations operational rate of exchange as at the month of promulgation and would remain unchanged until the next biennial review.

157. In addition, the Commission was provided with information on the application of the mechanism of transitional measures it had approved at its sixty-sixth session. The mechanism served to protect the levels of the allowances for staff in receipt of those allowances at those duty stations, where the amounts of the allowances in effect were higher than the revised universal flat rate amount calculated according to the new methodology.

Discussion in the Commission

158. The Human Resources Network supported the proposals to revise the levels of the children's and secondary dependant's allowances. It took note of the updates on the transitional measures for eligible duty stations. The representatives of FICSA, CCISUA and UNISERV also supported the proposed revisions. FICSA further stressed the need for transitional measures. In consideration of the relatively recent promulgation of the methodology establishing a global flat rate denominated in the United States dollar, it stressed the need to monitor the impact of exchange rate fluctuations at the local level.

159. The Commission reviewed in detail the changes in tax provisions and social legislation payments relating to children's benefits that had taken place at the eight headquarters duty stations. It noted that the present study was the second review of the level of the allowances since it decided to revise the methodology to streamline and simplify the procedure for calculating the allowances. It was informed that the revised methodology was working as intended and that the secretariat would continue monitoring its application and report to the Commission as appropriate.

160. The Commission noted that the purpose of introducing transitional measures at the time of the last revision of the methodology was to phase out the prior system and to limit any loss staff members in certain duty stations might experience. In that respect, it recalled that transitional measures, currently applied to only few duty stations, would be discontinued as from 1 January 2013. As at 1 January 2011, only Japan and Switzerland were expected to remain eligible for the transitional measures. The Commission also reiterated that the decision it took to maintain, until the next biennial review, the amount of the global flat-rate allowance in local currency, once converted using the official United Nations exchange rate as of the date of implementation, was an efficient mechanism to limit the impact of the exchange rate fluctuation on the level of the allowances.

161. The financial implications arising from the revised levels of the allowances were estimated at $3.9 million per annum.

Decisions of the Commission

162. The Commission decided to recommend to the General Assembly that, as at 1 January 2011:

(a) The children's allowance be set at $2,929 per annum and the disabled children's allowance at $5,858 per annum;

(b) The secondary dependant's allowance be set at $1,025 per annum;

(c) The United States dollar amount of the allowance, as established in subparagraphs (a) and (b) above, be converted to local currency using the official United Nations exchange rate as of the date of implementation and remain unchanged until the next biennial review;

(d) As a transitional measure, if, at the time of implementation the revised flat-rate allowance was lower than the one in effect, the allowances payable to currently eligible staff be equal to the higher rate reduced by 50 per cent of the difference between the two rates;

(e) The dependency allowances be reduced by the amount of any direct payments received by staff from a Government in respect of dependants.

F. Post adjustment matters

Report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-second session

163. Under article 11 of its statute, the International Civil Service Commission reviewed the operation of the post adjustment system and, in that context, considered the report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-second session. In particular, the Commission considered the Advisory Committee's main conclusions and recommendations on methodological issues pertaining to the 2010 round of cost-of-living surveys, including the list of items and specifications; revised data-collection forms; procedures for establishing new common weights; procedures and guidelines for data collection at headquarters duty stations and Washington, D. C.; and the results of further testing of both the approach to cost-of-living measurement based on real-time price comparisons with New York and the new basket of countries used in the calculation of the out-of-area index. Also presented were recommendations regarding possible modifications to the post adjustment classification review cycles for group I duty stations and the shortening of the duration of survey rounds.

Discussion in the Commission

164. The representatives of the Human Resources Network and the staff federations confirmed that they had already been briefed by the secretariat of the Commission on the methodological and practical preparations in connection with the baseline cost-of-living surveys at headquarters duty stations and Washington, D. C., and, in particular, the need for high staff participation rates in the surveys. They expressed appreciation for the strategies being proposed by the secretariat aimed at collecting accurate and complete data required for the establishment of post adjustment indices that accurately reflected the cost of living experienced by United Nations common system Professional staff members serving around the world. They pledged to

cooperate fully with the secretariat of the Commission to ensure a higher level of participation by staff members during the next round of surveys. They expressed full support for the Advisory Committee's proposals for establishing local survey committees and the provision of non-monetary incentives to encourage staff participation.

165. In discussing the list of items and specifications to be used in the 2010 round of surveys, some Commission members wondered whether price data could be obtained from other sources. The secretariat clarified that neither the list of items nor specifications were likely to be uniform across agencies involved in cost-of-living measurement, which would make it difficult to make the like-to-like comparisons required by the approved methodology. Furthermore, cost-of-living comparisons by different agencies produced different results because they were invariably based on different methodologies and used different baskets of goods and services. However, under the current guidelines approved by the Commission, the secretariat could use prices from the Eurostat database, whenever appropriate, to impute for prices missing in its own database.

166. Commission members noted the Advisory Committee's view that the revised data-collection forms represented a significant improvement relative to those used in the current round, in particular, the fact that the expenditures survey questionnaires were shorter, simpler and more user-friendly. It also noted the Committee's recommendations regarding the results of further testing of two enhancements to the cost-of-living measurement methodology that it had already approved for application in the 2010 round of surveys, namely, the approach to cost-of-living measurement based on real-time price comparisons with New York and the new basket of countries used in the calculation of the out-of-area index. The Commission also took note of the schedule of baseline surveys at headquarters duty stations and Washington, D. C., as well as the proposed modifications to the guidelines and procedures for data collection at those duty stations, designed to incorporate the use of the Internet as a source of price data and the expansion of price data collection to include organic/biological brands of all food-and-beverage items.

167. In discussing the proposed procedures for the establishment of common weights for the 2010 round of cost-of-living surveys, Commission members stressed the importance of high staff participation in the baseline surveys, as those surveys provided the expenditure weights that would be used in the post adjustment index calculations for the 2010 round. Such participation was critical in the light of the fact that the updating of weights from prior rounds was no longer an option. Some Commission members fully supported the provision of non-monetary incentives that would encourage staff to participate in the survey. They cited examples of the use of monetary incentives in national household surveys, adding that the use of incentives must be accompanied by a vigorous marketing or publicity campaign to encourage staff participation. Other Commission members expressed concern about the precedent that incentives would set for staff participation in future surveys, as well as scepticism about the efficacy of incentives in improving response rates to surveys. They suggested that external data be used in the derivation of the common weights, instead of staff responses to the household expenditures survey. Representatives of organizations and staff federations reiterated their previously expressed view that the non-monetary incentives would lead to higher staff participation in surveys.

168. Regarding the proposed modifications of the operational rules governing the post adjustment system, the Commission approved the Advisory Committee's recommendation that the five-year duration of survey rounds remain unchanged, in view of the significant financial and operational implications of shortening the duration of the survey round from five years to three. The Commission also requested the secretariat to continue its study of the feasibility of modifying the post adjustment index calculation for group I duty stations by using price data for New York that were updated on an ongoing basis, using consumer price index data published by the United States Bureau of Labor Statistics. With regard to the synchronization of the post adjustment classification review cycles of all group I duty stations with that of New York, there was no unanimity among Commissioners regarding the two options presented by the secretariat. Some Commission members believed that the proposed modifications would simplify the post adjustment classification review process and help eliminate the perception of inequitable treatment in the post adjustment classifications of group I duty stations. Other Commission members, however, felt that in an era of considerable unpredictability with respect to the economic conditions of even group I countries, it was important for the post adjustment classification reviews to take into consideration the specific economic circumstances of duty stations, as was provided by the existing review process. The first option would lead to more frequent reviews for other group I duty stations than for New York, while the second option did not take into account differences in economic conditions of the various duty stations. The Commission therefore concluded that the existing operational rules fulfilled the objectives of post adjustment classification reviews better than the proposed alternatives and should therefore be maintained. Finally, the Vice-Chair of the Commission suggested that the post adjustment classification of Geneva should be kept under review by the Commission's secretariat in the light of Switzerland's recent entry into the Schengen area.

Decisions of the Commission

169. The Commission decided:

(a) To approve the revised list of items together with their specifications, subject to further minor revisions prior to its finalization before the launch of the 2010 round of surveys;

(b) To approve the continued use by the secretariat of the existing method for averaging price ratios of regular and organic/biological brands of food and beverage items for the 2010 round of surveys and to conduct experiments during the 2010 round aimed at testing the impact on the calculated post adjustment indices of treating organic/biological products as separate items;

(c) To take note of the Advisory Committee's recommendations regarding the revised data-collection forms to be used in the 2010 round of surveys;

(d) That the secretariat should conduct censuses of expenditures for all baseline surveys at headquarters duty stations and Washington, D.C., and use the data collected for the derivation of common weights, on the basis of the guidelines provided by the Advisory Committee;

(e) That the secretariat should continue to explore further the feasibility of using Eurostat/Interorganization Section (Organization for Economic Cooperation

and Development) Family Budget Survey results as a source of external data for the derivation of common weights;

(f) That the contingency plans proposed in the event of insufficient response rates were adequate and that, whenever available and feasible for use, anonymized microdatasets from the Eurostat/Interorganization Section Family Budget Surveys should be used as a preferred source of external data. Otherwise, weights of relevant national consumer price indices should be used;

(g) To call for the active cooperation of organizations and staff federations through the formation of local survey committees responsible for the coordination of all activities designed for the successful conduct of the surveys, in collaboration with the secretariat;

(h) To call on organizations to facilitate the completion of the expenditures surveys questionnaires by their staff members;

(i) To approve the proposed procedures and guidelines for data collection for the baseline place-to-place surveys at headquarters duty stations, as recommended by the Advisory Committee;

(j) To note the results of further testing of both the new approach to cost-of-living measurement based on real-time comparisons with New York and the new basket of countries used in the calculation of the out-of-area index;

(k) That the post adjustment classification review cycles of group I duty stations and the five-year duration of survey rounds should remain unchanged;

(l) To request the secretariat to continue its study of the possible modifications to the calculation of the post adjustment index based on New York prices that were updated on a regular basis, using the relevant consumer price index disaggregated series published by the Bureau of Labor Statistics;

(m) To request the secretariat to review the post adjustment classification of Geneva in view of Switzerland's recent entry into the Schengen area;

(n) To approve the schedule of the 2010 place-to-place surveys, as recommended by the Advisory Committee.

Chapter V

Conditions of service of the General Service and other locally recruited categories of staff

A. Review of National Professional Officers: terms and conditions of service

170. ICSC had before it a document by its secretariat which presented an overall profile of the National Professional Officers (NPOs) category and considered their associated conditions of service. The document also addressed how the revised criteria adopted by the Commission for use of the category in 2006 were applied across the common system organizations and whether any revision of those criteria was necessary.

171. On the basis of the data available, the use of NPOs had continued to grow since the Commission's previous review of the category in 2006. NPOs were employed in a wide range of occupational groups and under various contractual arrangements, with around 5 per cent of such staff serving on permanent contracts. Approximately 11 per cent of the Officer posts were funded through regular budgetary contributions from Member States.

172. The allowances and benefits applicable to the NPO category revealed an almost complete harmonization across the common system organizations, except on the separation payments,[6] language incentive and hazard pay. The secretariat's paper suggested that some flexibility should be afforded to the organizations with regard to implementing language incentives for the NPO category. It was also proposed that the Commission specify that hazard pay for NPOs should be based on the General Service scale, bearing in mind that that was the prevailing practice among the common system organizations and that it would be undesirable to make a distinction in the amount of hazard pay between the two locally recruited categories of staff.

Discussion in the Commission

173. The representative of the Human Resources Network stated that NPOs were a vital component of the common system organizations' workforce, bringing with them national experience and knowledge. The organizations employing NPOs made every effort to maintain an appropriate balance between internationally recruited staff and the Officers. NPO positions were at the Professional level, and the same standards of recruitment qualifications were required as for other Professionals. The overriding consideration for all organizations was that NPO posts should be justified within the overall efforts to develop national human resources. While reaffirming the national content in NPO positions, some flexibility might be warranted by specific organizational requirements, provided that the overall intent of the criteria approved by the Commission in 2006 was respected.

174. The representatives of the three staff federations expressed concern that the delineation between NPOs and international staff was not always clear. NPOs should not be used as a cheaper alternative to international staff and, in that context, they opposed the use of regional NPOs. The representative of FICSA reminded the

[6] See General Assembly resolution 64/231, sect. B.1, para. 3.

Commission that the review of NPOs had cross-cutting implications on a wide range of issues related to human resources management, salaries and allowances, and conditions of service in the field. Therefore, FICSA invited the Commission to consider the matter in a holistic manner. The representatives of CCISUA and UNISERV believed that there was reluctance in some organizations to classify NPO positions above the NO-B level, and they encouraged organizations to classify positions so as to accurately reflect responsibilities. The representative of CCISUA noted that if NPO responsibilities were continuing, their conditions of service should be considered in that context.

175. It was noted that there did not appear to be any significant recruitment or retention problems in the category in most duty stations. Some organizations had provided information showing vacancy rates below 5 per cent. Moreover, the relatively older age profile of the category showed that the organizations were able to recruit NPOs with many more years of experience than the minimum requirements, in particular at the lowest grades. One member thought it was interesting that entry-level salaries were attractive to local Professionals who were well educated and had many years of experience. Other members expressed the view that to some extent, local labour was being utilized as a cost-saving measure.

176. During the discussions, members wished to ascertain the needs that NPOs served to fulfil and why the large majority of such staff were funded from sources other than regular contributions from Member States. The representatives of the organizations responded that while NPOs were primarily employed in programme-related areas, as the data showed, their work encompassed a broad spectrum of occupational groups. NPOs worked at the community level, facilitated work with Governments and provided continuity and stability in country offices, since international staff were required to rotate. Their knowledge and experience in the local context were vital in achieving the programmatic objectives. On the question of funding, several representatives of organizations noted that they did not have regular contributions and that therefore most of their budgets were funded from voluntary contributions.

177. While the Commission agreed that national Professionals were important to the work of the organizations, some members expressed concern that the growth in the NPO category might indicate too liberal an application of the approved criteria. They pointed to the use of the NPO category in duty stations in developed countries with the exception of the headquarters duty station and the use of non-nationals, which did not seem to meet the criteria. Others stated that such growth in and of itself was not a reason for concern. Rather, it was an indication of the usefulness of the category given its local context. They did not consider it a problem if the organizations made limited use of the category in developed countries outside the headquarters duty stations if there was a need for national knowledge and experience. There was general agreement that NPOs should not be allowed to be used in the headquarters duty stations, as such use was against the intent of the criteria. Members also considered that the data showing use of non-nationals in the NPO category might not be a representative reflection, since the question of nationality itself was complex. Many staff had dual or multiple nationalities which were not captured in personnel databases.

178. The Commission also agreed to reiterate its decision, taken in 2006, rejecting the use of NPOs in any regional roles. At that time, the Commission had requested

the organizations to submit a formal proposal if they remained interested in such a modality. Since no such proposals had been made, there was no reason to reopen discussions on the matter.

179. Discussion ensued as to whether NPOs should have long-term career perspectives within the organizations or should be encouraged to return to national institutions. On the one hand, NPOs who had the right competencies should be afforded the same opportunity to pursue careers within the organizations. On the other hand, if the emphasis was on building national capabilities, then perhaps NPOs should be encouraged to return to national institutions. In that regard, the fact that most organizations now considered NPOs as internal candidates for international Professional positions could be seen as a reflection of new realities.

180. On the question of language incentives for the NPO category, the Human Resources Network and the three staff federations supported the idea that organizations had the flexibility to introduce language incentives consistent with their needs. Some Commission members did not support such a position given that the need for the category was primarily within the national context. Other members believed that the decision should be left to each organization on the basis of its language needs. The general agreement among the members was that such arrangements should be non-monetary in nature. Given the specific nature of their functions, national Professionals should continue to be treated as a distinct category and should not be aligned with international Professionals in terms of their conditions of service.

181. On the issue of hazard pay, it was agreed that it should continue to be payable on the same basis as to the General Service, in keeping with the current practice of most organizations. However, NPOs would be considered during the ongoing review of hazard pay, and any changes in their conditions of service related to hazard pay would be determined at that time.

182. During the discussions, it was noted that the organizations had yet to implement policy statements on the use of NPOs, and the Commission members encouraged the organizations to do so in accordance with the criteria for the use of NPOs. While it was up to the organizations to achieve a balance between national and international Professionals, the Commission noted that, overall, the criteria as updated in 2006 worked well and continued to meet the needs of the organizations.

Decision of the Commission

183. The Commission decided:

(a) To reaffirm the criteria of 2006 governing the use of NPOs[7] and, in particular:

(i) To remind the organizations that the employment of NPOs by a given common system organization should be grounded in a policy framework and that all staff in the NPO category must meet the criteria for their employment;

(ii) To reiterate its earlier decision to reject the notion of a regional NPO;

[7] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 30* (A/61/30), annex IX.

(iii) To specify that the use of NPOs at the eight headquarters duty stations was not consistent with the criteria and that their use in duty stations in developed countries might be allowed under limited circumstances where there was a need for national knowledge;

(b) To reaffirm that language allowances should not be provided to NPOs. However, organizations should be afforded the flexibility to introduce primarily non-monetary language incentives to the NPO category consistent with their operational needs;

(c) To specify that hazard pay for NPOs should be paid on the same basis of 25 per cent of the midpoint of the relevant General Service salary scale;

(d) To request its secretariat to remain apprised of the use of National Professional Officers in the common system and to report thereon to the Commission every seven years.

B. Review of the General Service job evaluation standards

184. At its sixty-ninth session, the ICSC approved the new job evaluation system for the General Service and related categories, and requested its secretariat to finalize the work on the new job description format, a glossary and written guidelines on the use of the system, as well as benchmark post descriptions, and to present the final elements at its seventieth session for promulgation of the standard.

185. At the seventieth session, the ICSC secretariat presented the Commission with the requested final elements of the system, recommending promulgation of the new General Service job evaluation standards with effect from March 2010, in order that the planned roll-out of the new system might commence through the delivery of regional workshops for common system classification specialists.

Discussion in the Commission

186. The Human Resources Network took note of the anticipated promulgation date of the new job evaluation standards for the General Service and related category, with effect from March 2010. The Network fully supported the provision of a global job evaluation standard which was transparent, flexible and simple and that would support such other human resources systems as competency development and performance management.

187. The Network wished to ensure that all components were validated and that a user guide and training were available prior to implementation.

188. In their joint statement, the representatives of FICSA and CCISUA expressed their disappointment that almost none of the steps required for promulgation of the new system, already approved in principle at the sixty-ninth session of ICSC, had been taken. They reported that agreement in the working group on the use and the text of the grade level descriptors as well as on the draft benchmark post descriptions and glossary, had still to be reached. Moreover, systematic testing, validation and training had still to be carried out. Therefore, they requested that the roll-out be made only after completion of the above-mentioned steps. The representative of FICSA presented a conference room paper in order to substantiate its assessment of the current status of the review.

189. The Commission, however, welcomed the provision of the final elements of the new system and considered that the system was now ready for promulgation. Questions were raised concerning the implementation modalities and about how the application of the new system would be audited. It was clarified that the new system would be rolled out as and when individual organizations were trained in the use of the system. As had been the case with the implementation of the master standard for Professional and higher posts, it was expected that the introduction of the new General Service standard would not result in an across-the-board reclassification of all posts in the General Service and related categories, but that it would be applied to all new posts, and upon the creation of vacancies. The Commission would monitor the application of the new system over time, but any auditing would be done through the regular management auditing mechanisms in place in each organization.

190. The issue of the glossary was discussed at some length. It was clarified that the glossary was intended to provide a uniform definition of technical job classification terms across the common system. It was therefore decided to maintain the glossary as it was, but to keep the question of definition of the terms under review and to amend them, as necessary, in the light of the experiences gained through implementation of the system.

191. The Commission thanked the members of the technical working group which had assisted in the development of the new standard over the past six years, recognizing that it had been a complex and difficult task requiring some degree of compromise by all parties, and expressed the view that the final result fully justified the considerable effort that had gone into making it possible. The availability of one unified job classification system for General Service and related categories was an important step towards the harmonization of practices within the common system and had been a key preoccupation of the Commission for some time.

Decision of the Commission

192. The Commission decided to promulgate the new General Service job evaluation standards, with effect from 15 March 2010.

Chapter VI
Conditions of service in the field

Harmonization of the conditions of service for staff serving in non-family duty stations in the common system

193. With the exception of the United Nations Secretariat, all organizations of the United Nations common system provide some form of compensation for the maintenance of a second household when staff with dependants are assigned to a non-family duty station: the traditional compensation offered is the payment of the extended monthly security evacuation allowance (EMSEA), as provided for in the United Nations Field Security Handbook as promulgated by CEB (see annex VIII). Since the late 1990s, an increasing number of organizations, in particular the United Nations funds and programmes, have adopted an alternative approach known as the special operations approach (SOA) whereby staff members required to work in non-family locations have been assigned to a nearby, safer location with the necessary infrastructure in terms of medical and educational facilities and good communication links, where the staff member can establish a home base, known as the administrative place of assignment. Since the staff member is assigned to the administrative place of assignment, all emoluments are based on that location. The staff member then proceeds to the place of duty on travel status and is paid a living allowance to cover the additional expense of maintaining a second household at the place of duty. That allowance is known as the special operations living allowance (SOLA), and is payable to all staff, irrespective of their family situation. SOLA is calculated separately for each non-family location and therefore varies from place to place. It is based on the after-30-day mission subsistence allowance (MSA) which was paid to similarly situated mission appointees of the United Nations Secretariat. For locations where no MSA had been established, the after-60-day daily subsistence allowance rate was applied. SOLA rates varied from around $900 per month to approximately $6,000 per month, with a global average of approximately $3,500 per month.

194. Prior to the 2009 contractual reform in the United Nations, mission appointees in United Nations peacekeeping operations had a pay package that differed substantially from that applicable to all other common system staff. That pay package did not include any allowance for service in non-family duty stations and consisted of two elements only: base salary and mission subsistence allowance. With the implementation of the contractual reform on 1 July 2009, the former mission appointees were converted to regular staff status, and received the standard pay package in terms of post adjustment and benefits/allowances. That is, they were no longer paid the location-specific MSA. However, they remained the only common system staff not to benefit from any second household allowance, because the MSA was intended as a lump sum to cover the costs of being at the place of duty, while the base salary was for other commitments outside the duty station.

195. When the Commission made its recommendations on the United Nations contractual reform to the General Assembly in 2006 (see A/61/30/Add.1), it supported the extension of SOA to the United Nations Secretariat, as that approach had worked well for the organizations. The Commission also at that time recommended that the designation of duty stations as family or non-family be harmonized between the United Nations Secretariat and the rest of the common

system, since the dual designation approach inevitably led to significantly different conditions of service. However, the General Assembly decided, in its resolution 63/250, to designate existing established missions as family missions and existing special missions as non-family missions, effective 1 July 2009, thereby maintaining the difference in designation. Further, it also decided that all United Nations staff appointed or assigned to non-family duty stations should be installed in accordance with conditions of the United Nations common system, without the special-operations approach. Finally, it decided to keep the issue of United Nations common system conditions of service under review, and also to request ICSC to keep the issue of United Nations common system conditions of service under review.

196. Meanwhile, the United Nations found that the SOA approach was not suitable for its purposes, primarily because of the size of its missions. Negotiating agreements with Governments to locate large numbers of families in nearby countries was simply not practical. In addition, SOA had certain weaknesses in its conceptual design, which were recognized by most, if not all, of the organizations that used the system. The issues focused mainly on the difficulties and the length of time it took to identify suitable administrative places of assignment; the fact that, in most organizations, the majority of the families did not choose to live in the administrative place of assignment; the difficulty in setting common SOLA rates; and the complicated design of the pay package and the lack of transparency of the SOLA benefits — staff did not understand the design of the pay package and questioned why they did not receive the hardship pay for the place of duty. In addition, rates within SOA were not harmonized across all agencies, and the calculation of the rates was not based on a methodology approved by the Commission.

197. To address the question of compensation for United Nations Secretariat staff maintaining a second household when assigned to non-family duty stations, the Secretary-General proposed to the Commission at its seventieth session a modified EMSEA model. The modified EMSEA model would have introduced a flat (i.e., not location-specific) rate, payable to all staff, irrespective of dependency/single status. The suggested flat rate was $2,500 per month, calculated on the basis of the rental thresholds of headquarters duty stations, as these were the most populous in terms of United Nations staff and were considered to be the most likely locations for United Nations staff to maintain their home base when assigned to non-family duty stations. The additional cost to the United Nations of this proposal was estimated at approximately $145.8 million per annum.[8]

198. The Commission did not pronounce itself on the Secretary-General's proposal for a modified EMSEA model, noting that it would be preferable to arrive at a harmonized approach that would apply equally to the entire common system. It therefore decided to develop a harmonized approach for compensation, allowances and benefits for staff assigned to non-family duty stations. In particular, this new approach was to provide options for an allowance to compensate staff for the need to maintain a second household. The Commission requested its secretariat to carry out such work in consultation with organizations and staff federations. The Commission further stipulated that the new, harmonized compensation model, at

[8] Based on staffing data as at 1 March 2010, after offsetting the costs of the personal transition allowances that would be discontinued if and when the proposed lump sum of $2,500 was approved.

that time referred to as a household maintenance allowance, would be payable together with all other allowances and benefits for the staff member's actual duty station and that it would replace SOA.

199. The Secretary-General's proposal for the harmonization of conditions of service for staff serving in non-family duty stations also called for the harmonization of conditions applying to the United Nations rest and recuperation scheme and those applicable to other common system organizations.

200. In response to the request by the Commission, the ICSC secretariat established a technical working group with organizations and staff federations with a view to identifying options for the achievement of harmonization on the two issues of second households and rest and recuperation, respectively.

201. As a result of the considerable work already done by organizations to harmonize rest and recuperation practices, agreement was achieved on a proposed common rest and recuperation framework. Such a framework would be cost-neutral for the majority of the common system organizations, since it more or less reflected current practices. For some organizations, it represented savings; for the United Nations Secretariat, it would represent an estimated additional cost of approximately $45.15 million per annum.

202. The point was made strongly both by organizations and staff representatives that second-household considerations apply equally to staff with recognized dependants and to those without. Staff with spouses are designated single-status if their spouse earns a certain level of income. Other staff have dependency status when they have no spouse but have a dependent child who may or may not live with the staff member. Further, it was emphasized that all staff need to maintain a home base somewhere. Staff serve in non-family duty stations and hence work and stay there; however, staff will never consider the duty station their home or even a place to live; instead, it is simply the place where they work for a defined period.

203. A joint recommendation by the technical working group was to name the proposed new harmonized approach HOME, for Home Maintenance Element, as this described succinctly what it was intended for.

204. A summary of the options presented to the Commission is attached as annex XII, which also provides the estimated financial implications of those proposals.

Rest and recuperation

205. The majority of field-based organizations operate their rest and recuperation schemes on the basis of voluntary coordination under the auspices of the Human Resources Network. Those schemes are therefore very similar in scope and content. The standard features are the granting of time off (five consecutive days) plus travel time (1 to 2 days, depending on circumstances) and the payment of travel costs from the place of duty to the designated place of rest and recuperation. While the cost of travel is pegged to the designated place, staff are free to travel to any destination they prefer. Time off granted for rest and recuperation is not charged to annual leave.

206. In the United Nations, mission appointees were granted occasional recuperation breaks. Under that arrangement, staff were entitled to five working (not

necessarily consecutive) days off, which were not charged to annual leave. Where United Nations transportation was used, it was provided free of charge, but otherwise no travel costs were paid. Travel time was not granted. During its consideration of the 2009 contractual reform, the Commission recommended that the United Nations adopt the rest and recuperation scheme as used by other common system organizations, but while the General Assembly approved the change of terminology from occasional recuperation breaks to rest and recuperation, and the inclusion of travel time for United Nations staff, it did not approve paid travel to the designated place of the break.

207. The purpose of all those schemes is to periodically remove staff from the often dangerous environment in which they serve, to allow them to "recharge their batteries", alleviate stress and regain perspective so that they may return to their place of duty and continue to perform effectively; the schemes have therefore been designed to enhance staff performance. They also offer the opportunity for staff to periodically reunite with their families and facilitate decisions by staff to accept assignments to difficult duty stations. In most cases, and for these reasons, rest and recuperation is mandatory, and it is the responsibility of management to ensure that staff take such breaks at the intervals prescribed. That being said, imposing the related travel costs on the staff member creates a financial burden for that member when he or she complies with the requirement to travel.

208. The technical working group recommended a common system framework for all rest and recuperation travel, with the following elements: (a) five consecutive days off, not charged to annual leave; (b) travel time, defined as the actual time spent travelling to and from the place of duty; (c) a contribution towards accommodation at the designated place of rest and recuperation, calculated as the average amount of the accommodation portion of the daily subsistence allowance as applicable to the designated places ($700 for five days) plus $50 towards terminal costs, for a total of $750 per travel; and (d) paid travel by the cheapest and most direct route from the place of duty to the designated place of rest and recuperation. Whenever United Nations transportation was available, it would be provided free of charge, and no payment for travel costs would apply.

Discussion in the Commission

209. The Human Resources Network was of the view that the comprehensive work that had gone into the preparation of the review of the harmonization of conditions of work in non-family duty stations provided a solid basis for reaching decisions on an adequate compensation package under a harmonized approach, but stressed that it was essential for the United Nations, the separately administered funds and programmes and the specialized agencies to be able to recruit, assign and retain staff in duty stations where they cannot take their families or establish a normal primary household. To succeed, organizations needed to provide an adequate compensation package that addressed the needs of staff in the locations where they were obliged to work, as well as a primary place where they could set up a household for themselves and, where appropriate, install their families. The Network informed the Commission that the United Nations, the separately administered funds and programmes and the specialized agencies had agreed that HOME 2 (see annex XII, paras. 2 to 4) constituted a suitable approach to compensating staff for expenses related to maintaining a secondary household. The Network also recognized the importance of allowing staff working in non-family duty stations to take regular

breaks away from the location and welcomed the recommendation regarding the proposed common system framework for rest and recuperation arrangements.

210. The Secretary-General issued a note prepared in collaboration with the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP) in which he highlighted the criticality of ensuring an adequate and fair compensation as part of a human resource strategy aimed at supporting staff, in particular those who choose or are requested to serve in non-family duty stations, which is essential for the delivery of mandates and programmes. He referred to the surge in peacekeeping and special political missions which had in turn led to an increase in the number of non-family missions as well as in the duration of the missions' operations and the number of field staff serving on a prolonged, continued basis in non-family missions. In tandem, the separately administered funds and programmes and the specialized agencies had been obliged to orient more of their major programmes and operations towards large, crisis and post-crisis duty stations. The ability to maintain a mobile and robust pool of candidates was critical, and those organizations must therefore be in a position to offer staff a variety of posting options that include family and non-family. It was now more essential than ever that career rotational staff with extensive technical, programme management and operational experience be enabled to take up assignments in non-family duty stations through a compensation package that addressed their needs and those of the families left behind, beyond the pay emoluments at their actual duty station. The Secretary-General expressed his support for the HOME 2 option, noting that the options HOME 4, HOME 5, and HOME 6 would result in a 60 to 70 per cent decrease in the compensation package currently offered by the organizations applying SOA, and that this would have severe repercussions on programme delivery in non-family duty stations and would eliminate the critical support that the current system provided to the operations of those organizations. The Secretary-General concluded by expressing the hope that the levels of the conditions of service currently provided to staff of the funds and programmes would be maintained until such time when the United Nations Secretariat would be able to implement the desired option of HOME 2.

211. In addition, and on behalf of the Secretary-General, the Assistant Secretary-General for Human Resources Management drew to the Commission's attention the fact that the United Nations staffing levels in non-family duty stations did not meet requirements and that the average vacancy rate in non-family duty stations was around 23 per cent. The high vacancy rates — driven partly by the lack of harmonization of conditions of service — had been a major obstacle to the United Nations Secretariat's ability to respond quickly to requests for specialized personnel in the immediate aftermath of conflict and to mobility within the wider United Nations system. The situation had been further exacerbated by difficult security environments, which had a negative impact on the ability of the United Nations to maintain operations in the countries where it was most needed. One of the Secretary-General's top priorities was for the common system to be as coherent as possible and to deliver results in the most effective manner without undermining current and future operational capacity. If the United Nations was to integrate the staff in field and Headquarters into a global workforce and enhance inter-agency mobility, it would be imperative to eliminate the gaps in the compensation packages

that exist for staff assigned to non-family duty stations. At the same time, the United Nations was sensitive to the fact that harmonization might entail others being required to use something other than the special operations approach, and that this could lead to a financial loss for some of their staff and generate administrative challenges. In the spirit of establishing a compensation package that best served the needs of all the organizations, the United Nations Secretariat supported HOME 2 as being the least disruptive and most equitable. In addition, the United Nations Secretariat fully supported the proposed rest and recuperation framework.

212. UNDP echoed the Secretary-General's hope that the Commission's efforts to harmonize conditions of service in non-family duty stations would not result in a reduction of the current benefit scheme overall. While UNDP had yet to reach the desired level of no vacancies, the relatively low UNDP vacancy rates showed that currently the organization was able to effectively recruit and retain the right pool of talented staff to undertake assignments to non-family duty stations. UNDP encouraged the Commission not to limit its consideration of the design of a compensation package to within a specific financial envelope only, but to focus more critically on ensuring that organizations were able to recruit and deploy the right level of expertise to effectively deliver on their programmes. UNDP supported the HOME 2 option. UNFPA associated itself with the UNDP statement.

213. WFP also supported the HOME 2 option and explained that of its 1,500 international professional staff, 350 were at present deployed in non-family duty stations, making important contributions to the feeding by WFP of 90 million people in 2009. But for WFP, the harmonization issue was relevant not just to the current 350 staff but to the entire population, as 99 per cent of WFP international professionals were subject to mandatory rotation and either were, had been, or would soon be in a non-family duty station for one, two, and often more, tours of duty.

214. UNICEF explained that almost one third of its resources were spent in emergency situations where children and women were the most exposed, and that trends indicated that humanitarian action would continue to be a significant area of work for UNICEF, which increasingly played an essential role in sustainable peacebuilding once United Nations peacekeeping missions wound down. Staff members in non-family duty stations were separated from their families and friends in situations where they would normally need them most, and they were often required to move from one non-family duty station to another. The stress imposed on such staff was due not only to difficult material conditions, but above all, to the fact that they had to witness the struggle and suffering of those whom the organization was tasked to help and the feeling that they were never able to do enough. In such circumstances, staff members needed a "home" to retreat to, not just a bed to sleep in, whether or not they had recognized dependants. UNICEF supported the HOME 2 model, although it was not ideal since it would slightly increase its total costs while at the same time lowering the total compensation package for just under 50 per cent of its staff in non-family duty stations.

215. UNHCR, which also strongly supported HOME 2, was of the view that the purpose and methodology of any change should make sense to its constituents in order for the rationale to be understood in terms of better programme delivery, compared with a system that had served the interests of UNHCR operations for the past 10 years.

216. In a joint letter, the executive heads of UNHCR, UNICEF and WFP reiterated their support for the goal of harmonizing conditions of service in non-family duty stations, but stated that they continued to be concerned that the conditions of service for staff of the United Nations funds and programmes should be maintained until such time as the United Nations Secretariat was in a position to implement HOME 2, in order not to undermine current and future operational capacity. Limiting the operational flexibility of the funds and programmes would erode their ability to deploy staff easily and quickly in emergency operations or crisis situations. Reducing the levels of conditions of service would hamper their ability to attract staff members to, and retain them in, the most complex, challenging and critical operations. The executive heads were concerned that, in the worst-case scenario, without adequate staffing, they would find it hard to maintain operations in such locations.

217. In a joint statement from FICSA, CCISUA and UNISERV, the staff federations drew the Commission's attention to their conference room paper in which they recalled the Commission's earlier recommendation to the General Assembly that SOA harmonized all practices, was the most cost-effective and best met the needs of the organizations of the common system, and voiced the view that SOA was still the best option. Of the options presented, the staff federations preferred HOME 1 and HOME 2, but considered them only marginally acceptable. They considered the review to be rushed, and suggested that transitional measures be granted to staff of the United Nations Secretariat — namely, HOME 1 or HOME 2, but without any differential — and that a working group should be established to examine the matter further. The federations fully supported the recommendation that the designation of non-family duty stations be harmonized and the implementation of previously recommended measures to address the difficulties associated with the staffing of peacekeeping missions. The federations also supported the recommendations on rest and recuperation.

218. The representative of UNISERV further pointed out that it should not be forgotten that a non-family duty station is where staff work but do not live and that this often entailed long periods of separation from family. Nonetheless, the staff of peacekeeping missions could not continue to be treated in such an inequitable manner. The high vacancy rates in non-family duty stations reflected an inequity in the treatment of staff and hampered the ability of the Secretariat to fulfil its mandate.

219. Members of the Commission recalled that the subject of the harmonization of conditions of service was an important one that would affect thousands of individuals, not only the approximately 7,500 staff serving in non-family duty stations, but their families as well. It was further recognized that there were considerable expectations relating to the issue.

220. The Commission paid tribute to the dedicated staff serving in the most difficult and dangerous places in the service of the organization and recognized that this was an appropriate time for it to examine ways in which it might assist staff in such locations. The Commission also reiterated its previously expressed view that the desired goal was not only to adequately compensate staff serving in non-family duty stations, but also to ensure that, ultimately, all aspects of compensation were harmonized.

221. Members noted that the current situation was one of inequity as a result of the fragmented approaches taken by individual organizations or groupings of organizations. Views were expressed to the effect that this particular situation was one that could not be rectified overnight but that would require a gradual approach to a point of confluence. In this regard, the Commission recalled article 9 of its Statute, which stipulates that, in the exercise of its functions, the Commission should be guided by the principle set out in the agreements between the United Nations and the other organizations, which aims at the development of a single unified international civil service through the application of common personnel standards, methods and arrangements.

222. The Commission underscored that any solution to the harmonization issue should be fair, equitable and viable in the eyes of all stakeholders. The Commission also took into account the concerns expressed by the executive heads and their administrations that the main aim of any harmonization effort should be to ensure effective programme delivery.

223. In order to better understand the options presented for consideration, members of the Commission sought clarification on a number of technical aspects of the proposals, and organizations responded to specific questions. Care needed to be taken to adopt a careful and systematic approach and to avoid extreme positions. There was general consensus that harmonizing to the highest level was neither desirable nor realistic.

224. The question was raised as to whether there was any evidence that the more generous packages offered by the organizations using the SOA approach had resulted in higher attraction and retention rates, and an examination of the available data seemed to indicate that there were indeed indications to that effect, as shown in annex IX. Given the lengthy recruitment processes utilized at the United Nations and the dynamic nature of its missions, it was difficult to draw conclusions regarding its ability to attract and retain highly qualified staff. The vacancy data did show that in the most dangerous and undesirable locations vacancy rates were high even where SOLA was paid, but the Commission also noted that organizations with comparatively lower vacancy rates tended to have more systematic rotation/mobility policies for their staff.

225. Responding to a request by members of the Commission in regard to projected staff needs over the next five years or so, the United Nations explained that whereas it was expected that the number of staff in non-family duty stations would decrease overall, such decline in staff numbers would to some extent be offset by an expansion of the missions in Haiti, Iraq and Afghanistan. The United Nations also drew the attention of the Commission to the fact that the General Assembly had recently decided to redeploy a number of support functions from mission areas to support hubs designated as family duty stations, and that this would further reduce the number of staff in non-family duty stations.

226. Some members were of the view that any harmonization efforts should recognize that the situation of the United Nations Secretariat was different from that of the funds, programmes and specialized agencies in terms of funding, mandates and governing structures and that therefore harmonization did not necessarily mean that all organizations should be obliged to do precisely the same, but that agreement should rather be reached on operating within a common, mutually acceptable framework. This view was echoed by CCISUA.

227. Other members were of the view that in terms of compensation policy, harmonization implied that all staff who were similarly situated should receive the same package and serve under unified conditions of service, the responsibility for which rested firmly with the Commission.

228. Members confirmed their view that staff members currently assigned to administrative places of assignment should not be affected by any changes to the present system for the duration of their current assignment, on the understanding that the SOLA amounts payable would as a first step be harmonized for each location.

229. At issue was the dual question of compensating staff for the additional cost imposed on staff serving in non-family duty stations and incentivizing staff to accept assignments to such locations in the first place. Members agreed that both were valid considerations, and a discussion ensued on how best to address these twin objectives. While compensating for the legitimate extra costs was more or less a technical exercise aimed at isolating objects of expenditure, the question of offering incentives was more vexing. Could that, for instance, best be achieved through modifying the hardship scheme already in place?

230. Members had mixed views when it came to the question of staff members paid at the single rate. Some were of the view that all staff, irrespective of family status, needed to maintain a home base and that it was not reasonable to expect that such a base could be established in non-family duty stations, which by, their very nature, were characterized by poor living conditions and a volatile and dangerous environment. Others were of the view that staff with no recognized dependants were not obliged to maintain a home base elsewhere and therefore were no differently placed than colleagues in hardship locations which were designated as suitable for families.

231. The Commission agreed that whereas it would be reasonable to provide some compensation for the additional costs arising from the need to maintain a home base outside non-family duty stations, such compensation should cover some, but not all, costs, given the fact that staff were already in receipt of their salary and must be expected to defray most costs from that. The Commission also agreed that any amount should be in the form of a flat rate, since it would be impossible to cater for all permutations.

232. The Commission then focused on the actual amounts staff reported as having spent on rents outside their non-family duty stations, weighted by the nationality of all staff serving in non-family duty stations, in order to approximate costs at the locations where staff were most likely to maintain a home base, that is, their home country. The amount was around $1,500 per month and did not include the cost of utilities or any other expenses associated with the maintenance of a home base.

233. After some discussion, and recalling the fourth preambular of General Assembly resolution 63/251, which encouraged the Commission to continue to coordinate and regulate the conditions of service of staff of the common system, bearing in mind the limitations imposed by Member States on their national civil services, the Commission decided not to pursue further the option of granting an additional entitlement for the maintenance of a home base, but rather to consider service in a non-family duty station as an additional aspect of hardship. Since a hardship scheme already existed, it was decided to add an element to the scheme that would recognize the unique hardship created by working at non-family duty

stations. The Commission was convinced that staff at non-family duty stations faced additional hardships and costs over and above those of staff at family duty stations.

234. Under the Noblemaire principle, the highest-paid national civil service is selected as a basis for setting pay and benefits in the United Nations. The Commission used the United States Federal Civil Service, the current comparator, as a reference in its deliberations. The comparator civil service differentiates its separate household maintenance allowance by the number and type of dependants. The Commission believed that using the pay grades of staff was a more appropriate method for United Nations staff, since the cost of housing is directly related to income earned.

235. Further, the Commission decided that recognition of the expense of a second household for the family was too narrow to meet the intended purpose. Instead, it sought to recognize the hardship of being at a non-family duty station in a broader sense. Such assignments meant a separation from family and had added financial burdens. Finally, it also wanted this allowance to provide an incentive for staff to accept assignments at non-family duty stations. All of this fit into the existing hardship scheme. This was a further reason to integrate a recognition of non-family hardship into the existing hardship scheme.

236. Under this approach, for staff with dependency status the amount added would be 100 per cent of the amount paid for the highest level of hardship (E duty stations). Staff with dependency status in the most populous band (P-1, P-2 and P-3) would receive an additional monthly amount of $1,418 per month, staff at the P-4/P-5 band $1,701, and higher grades $1,890. For staff paid at the single rate, half of the highest hardship rating was proposed, resulting in amounts of $532 for staff in the P-1 to P-3 band, $638 for staff in the P-4 to P-5 band, and $709 for higher grades. The proposed revised hardship matrix is attached as annex X.

237. The Commission considered that the proposal to view service in a non-family duty station as another aspect of hardship offered several advantages compared with the introduction of a new, separate allowance: (a) it contributed towards the goals of simplicity and transparency; (b) not being a separate allowance, it would not require a separate adjustment mechanism; (c) it placed the question of compensation for service in non-family duty stations where it belonged, with the Commission and within the overall purview of the General Assembly, and ensured that all future changes would remain harmonized; and (d) it would give practical, concrete support to the notion of "Delivering as one", as noted by the Chairman in his opening statement.

238. The financial implications of the Commission's proposal vary from organization to organization. For the United Nations, the additional cost was estimated at approximately $46.8 million. The Assistant Secretary-General for Human Resources Management stated that although she had hoped for a more generous solution, she was sympathetic to the financial constraints faced by Member States and that she would try, to the extent possible, to absorb as much of the additional cost to the United Nations Secretariat through economies elsewhere. For all other organizations, the proposal resulted in savings compared to what they currently pay,[9] as illustrated in table 1 below.

[9] These savings would be partially offset by cost increases for more frequent home leave travel and education grant entitlements.

b. *For staff currently assigned to an administrative place of assignment.* Staff assigned to an administrative place of assignment for service in a non-family duty station at the time of implementation of the decision by the General Assembly will initially continue to receive the SOLA they receive at the time of implementation of the new scheme. One year after the implementation of the decision by the General Assembly, and for the duration of their assignment to the same administrative place of assignment, they will receive the unified SOLA rate for that administrative place of assignment, as established by the Commission;

c. *For staff currently in receipt of EMSEA.* Staff assigned to a non-family duty station at the time of the implementation of the decision by the General Assembly will receive EMSEA at the current rate for the duration of their assignment to that non-family duty station, or for five years after the implementation of the decision of the Assembly, whichever is the shorter period;

Existing staff reassigned to perform duties in a non-family duty station within one year of the implementation of the decision by the General Assembly:

d. *For staff reassigned to an administrative place of assignment.* Staff reassigned to an administrative place of assignment for service in a non-family duty station within one year of implementation of the decision by the General Assembly will initially receive the SOLA applicable to the administrative place of assignment at the time of implementation of the new scheme. One year after the implementation of the decision by the Assembly, and for the duration of their assignment to the same administrative place of assignment, they will receive the unified SOLA rate for that administrative place of assignment, as established by the Commission, provided that there remain at least six months between the reassignment and the one-year anniversary of the implementation of the decision by the Assembly; if the period from the reassignment date to the anniversary date is less than six months, the staff member will receive the unified SOA-specific SOLA amount immediately upon reassignment;

e. *For staff reassigned to a non-family duty station and in receipt of EMSEA.* Staff reassigned to a non-family duty station within one year of the implementation of the decision by the General Assembly will receive EMSEA at the current rate for the duration of their assignment to that non-family duty station, or for five years after the implementation of the decision by the Assembly, whichever is the shorter period;

Existing staff reassigned to perform duties in a non-family duty station later than one year after implementation of the decision by the General Assembly:

f. Staff assigned to an administrative place of assignment for service in a non-family duty station will receive the unified SOLA rate for that administrative place of assignment, which, one year after implementation of the decision by the General Assembly, would in each of the ensuing four years be reduced by one quarter of the difference between:

(i.) The applicable SOLA rate plus the normal hardship allowance at the administrative place of assignment; and

(ii.) The normal hardship allowance plus the additional non-family hardship element at the place of duty (i.e., equivalent to what United Nations Secretariat staff receive);

g. Staff reassigned to a non-family duty station and in receipt of EMSEA will receive the difference between:

(i.) The applicable EMSEA rate; and

(ii.) The additional non-family hardship element;

All organizations would convert to the new non-family hardship element no later than five years after the General Assembly decision, at which time full harmonization would have been achieved. Organizations that currently used SOA or EMSEA would retain the option of adopting the new additional non-family hardship element at any time prior to the five-year deadline, subject to discontinuing the use of EMSEA or SOLA;

h. *For newly recruited staff.* Newly recruited staff who join the organization on or after a date six months after implementation of a decision by the General Assembly will be assigned under the non-family hardship element as approved by the Assembly and should not be offered the option of being assigned under SOA or with EMSEA;

i. *Full harmonization five years after implementation of the non-family hardship element.* All assignments under SOA, as well as the payment of EMSEA, as applicable, will be discontinued effective five years after implementation of the non-family hardship element. This would require, inter alia, that the provisions governing the applicability of EMSEA in cases of staff being assigned, or reassigned, to a non-family duty station, as contained in subparagraphs I.10 (b) and (c) of annex I to the Field Security Handbook, be removed with effect from five years after the implementation of the decision by the General Assembly. Five years after the implementation of the Assembly decision, ICSC will discontinue the unified SOLA rates, organizations will be expected to base the staff members' entitlements on the place of duty, and all staff should fall under the provisions of the non-family hardship element;

(c) Concerning the harmonization of rest and recuperation:

(i) That the Assembly recommend the proposed harmonized rest and recuperation framework, as shown in annex XI;

(ii) That it encourage organizations to absorb, to the extent possible, the additional costs imposed by the framework within existing resources.

Annex I

Programme of work of the International Civil Service Commission for 2011-2012

1. Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system.
2. Framework for human resources management:
   (a) Inter-agency mobility;
   (b) Education grant: review of the methodology for determining the grant (representative schools and eligibility);
   (c) Mobility/hardship and hazard pay: review of the methodology;
   (d) Standards of conduct;
   (e) Mandatory age of separation.
3. Conditions of service of the Professional and higher categories:
   (a) Base/floor salary scale;
   (b) United Nations/United States grade equivalency studies;
   (c) Evolution of the United Nations/United States net remuneration margin;
   (d) Evolution of the United Nations/United States net remuneration margin (review of the methodology);
   (e) Total compensation comparisons under the Noblemaire principle to determine the highest-paid civil service;
   (f) Total compensation study United Nations/comparator civil service;
   (g) Survey and report on diversity in the United Nations common system;
   (h) Children's and secondary dependant's allowances: review of the level;
   (i) Report of the thirty-third session of the Advisory Committee on Post Adjustment Questions;
   (j) Agenda for the thirty-fourth session of the Advisory Committee on Post Adjustment Questions;
   (k) Report of the thirty-fourth session of the Advisory Committee on Post Adjustment Questions;
   (l) Agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions.
4. Conditions of service of the General Service and other locally recruited staff:
   (a) Review of the General Service salary survey methodologies;
   (b) Survey of best prevailing conditions of employment at locations to be determined by the Commission;
   (c) Review of the General Service job evaluation standards.

5. Conditions of service applicable to both categories of staff:

   (a) Performance management;

   (b) Education grant: review of the level;

   (c) Mobility/hardship, including hazard pay — review of the level;

   (d) Exit interview report.

6. Monitoring of the implementation of decisions and recommendations of the International Civil Service Commission by organizations of the United Nations common system.

7. Review of the International Civil Service Commission Framework for Human Resources Management.

8. Review of the pensionable remuneration.

Annex II

Proposed list of representative schools for all country/currency zones

Austria (four primary/secondary)

Vienna International School
Lycée Français de Vienne
American International School
Vienna Christian School

Belgium (one primary/secondary and one post-secondary)

International School of Brussels
Université Libre de Bruxelles

Denmark (two primary/secondary)

Copenhagen International School
Rygaards International School

France (three primary/secondary and one post-secondary)

École Active Bilingue Jeannine Manuel
École alsacienne
Cité Scolaire Internationale de Lyon
University of Paris-Sorbonne

Germany (two primary/secondary and one post-secondary)

Bonn International School
Independent Bonn International School
International University of Applied Sciences

Ireland (one primary/secondary and one post-secondary)

Saint Columba's College
University College of Dublin

Italy (four primary/secondary)

Ambrit-Rome International School
St. George's British International School
Southlands English School
Marymount International School

Japan (one primary/secondary and one post-secondary)

Saint Mary's International School
Waseda University

Netherlands (one primary/secondary and one post-secondary)

British School in the Netherlands
University of Groningen

Spain (one primary/secondary and one post-secondary)

American School of Madrid
Complutense University of Madrid

Sweden (one primary/secondary and one post-secondary)

Sigtunaskolan Humanistiska Läroverket
Stockholm School of Economics

Switzerland (four primary/secondary)

International School of Geneva
Collège du Léman
Institut International de Lancy
Institut Florimont

United Kingdom of Great Britain and Northern Ireland (one primary/secondary and four post-secondary)

University of Warwick
University of Nottingham
University of Manchester
University College London
Marymount International School

United States dollar inside the United States of America (three primary/secondary and three post-secondary)

United Nations International School
Lycée Français de New York
Horace Mann School
New York University
Pace University
University of Virginia

United States dollar outside United States of America (10 primary/secondary and 2 post-secondary)

Bangladesh

American International School Dhaka

Canada

McGill University

Chile

Nido de Aguilas

Egypt

Cairo American College

Ethiopia

International Community School of Addis Ababa

Ghana

Ghana International School

India

American Embassy School

Kenya

International School of Kenya

Lebanon

American University of Beirut

Panama

Balboa Academy

Senegal

Lycée Français de Dakar Jean Mermoz

Thailand

International School Bangkok

Annex III

Proposed revisions to education grant and boarding cost levels

Table 1
Proposed levels of maximum admissible expenses and education grant

Country/zone	*Currency*	*Percentage increase*	*Maximum admissible expenses*	*Maximum education grant*
Austria	Euro	5.0	17 555	13 166
Denmark	Danish krone	5.0	113 554	85 166
France	Euro	7.0	10 981	8 236
Germany	Euro	3.0	19 563	14 672
Italy	Euro	10.0	20 830	15 623
Netherlands	Euro	6.0	17 512	13 134
Spain	Euro	10.0	16 653	12 490
Switzerland	Swiss franc	11.0	31 911	23 933
United Kingdom of Great Britain and Northern Ireland	Pound sterling	10.0	24 941	18 706
United States dollar in the United States of America	United States dollar	10.0	43 006	32 255
United States dollar outside the United States of America	United States dollar	7.0	20 663	15 497

Table 2
Zones where the current maximum admissible expenses and education grant levels should be maintained

Country/zone	*Currency*	*Maximum admissible expenses*	*Maximum education grant*
Belgium	Euro	15 458	11 593
Ireland	Euro	17 045	12 784
Japan	Yen	2 324 131	1 743 098
Sweden	Swedish krona	157 950	118 462

Table 3
Proposed ceilings for boarding costs

Country/zone	*Currency*	*Percentage increase*	*Normal flat rate for boarding*	*Additional flat rate for boarding at designated duty station*
Austria	Euro	1.8	3 776	5 664
Belgium	Euro	1.9	3 518	5 277
Denmark	Danish krone	3.9	27 242	40 863
France	Euro	1.9	3 052	4 578

Country/zone	*Currency*	*Percentage increase*	*Normal flat rate for boarding*	*Additional flat rate for boarding at designated duty station*
Germany	Euro	1.0	4 221	6 332
Italy	Euro	0.6	3 147	4 721
Netherlands	Euro	0.8	3 875	5 813
Spain	Euro	0.3	3 162	4 743
Sweden	Swedish krona	5.6	26 034	39 051
Switzerland	Swiss franc	1.5	5 540	8 310
United Kingdom of Great Britain and Northern Ireland	Pound sterling	5.8	3 690	5 535
United States dollar in the United States of America	United States dollar	5.3	6 083	9 125
United States dollar outside the United States of America	United States dollar	1.5	3 746	5 619

Table 4
Zones where ceilings for boarding costs should be maintained

Country/zone	*Currency*	*Normal flat rate for boarding*	*Additional flat rate for boarding at designated duty station*
Ireland	Euro	3 112	4 668
Japan	Yen	607 703	911 555

Annex IV

Termination indemnity

Figure

All separations as a proportion of total staff (Professional and higher and General Service categories), 2007-2009

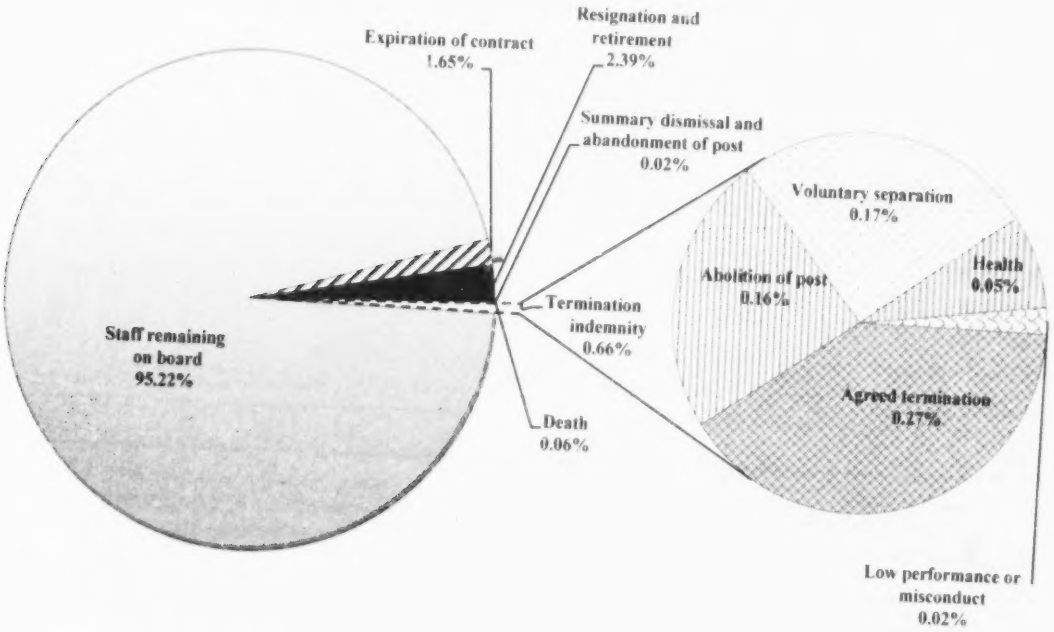

Table 1
All separations, by reason of separation and by contract type, for 2007-2009

Reason for separation	*Continuing*		*Fixed-term*		*Total*	
	(Number)	*(Percentage)*	*(Number)*	*(Percentage)*	*(Number)*	*(Percentage)*
A. With termination indemnity	**713**	**8**	**478**	**6**	**1 191**	**14**
Agreed termination	260	3	217	3	477	6
Abolition of post	106	1	176	2	282	3
Voluntary separation[a]	277	3	33	0	310	4
Health	61	1	34	0	95	1
Low performance or misconduct	9	0	18	0	27	0
B. Without termination indemnity	**1 657**	**19**	**5 743**	**67**	**7 400**	**86**
Expiration of contract		0	2 961	34	2 961	34
Resignation	337	4	1 960	23	2 297	27
Retirement	1 274	15	727	8	2 001	23
Death	37	0	76	1	113	1
Summary dismissal	8	0	15	0	23	0
Abandonment	1	0	4	0	5	0
Total	**2 370**	**28**	**6 221**	**72**	**8 591**	**100**

Note: Figures are rounded.

[a] Category encompassing staff who availed themselves of separation programmes offered by organizations, namely, UNHCR, WFP and the World Intellectual Property Organization, and who are to be distinguished from members of the resignation category.

Table 2

Termination indemnity (TI) cases, by years of completed service and by unexpired remainder of service term

Totals for three-year period (2007-2009) for which data on the unexpired remainder of contract were reported

Continuing contracts

Completed years of service

Unexpired number of months

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	24+	Total	
4																										2	2	
5			1																							7	8	
6			1	2																						10	13	
7				2																	1					11	14	
8		1	1	1																						18	21	
9				1										1												17	19	
10				2																						18	20	
11		1	1	1										1												16	21	
12				2																				2		15	19	
13											2	1						1		1		1				17	23	
14		1									1		1					1		1	1					26	32	
15				1																1		1				25	28	TI Maximum
16				2	1													1	1							17	22	
17				3			1				1		1	1					1							16	24	
18				2	1			1					1												2	9	16	
19		1					1		1						1							1				11	16	
20								1		1	1															12	15	
20+		4	1	17	1	2	2	3	1	3	2	6	5	4	9	2	6	5	5	9	3	3	9	8	6	170	286	
Total	0	8	5	37	3	2	4	5	2	4	3	10	7	7	12	2	6	6	9	11	5	6	10	10	8	417	599	

Fixed-term contracts

Completed years of service

Unexpired number of months

TI Minimum (6 weeks of pay) — Termination indemnity (maximum for cases based on unexpired remainder)

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	24+	Total	
0		6	1		2				1	2	2		1	1													16	
1	1	6			1	2	5	2	3	1		1					1										23	
2	2	5			2		1		1				3														14	
3	3	13	1			1	1	1			1		1														22	
4	1	6	1	2	1			1			1						1									2	16	
5	2	4	1	2		1	2				1		2				1										16	Unexpired remainder
6	1	1	1	2	2	2	1						5				2										17	Completed service
7	2			1	2		1		1				1		1	1	1					1					14	
8					1						1				1												3	
9	2		1	2										1												1	7	
10	1	1		1			1								1							1					8	
11		2		1																1						1	5	
12		1											1		1												3	
13				1			1									1											3	
14	1									1	1	1		1													5	
15		1				2	1								1			1	1							1	0	TI Maximum
16							1	1					1							1							4	
17			1					1									1										3	
18					2						1			1													4	
19			1		1																						2	
20					1																						1	
20+		2	4	5			3		1	3	3		1	2	1	2	1	2	1		3	2			1		40	
Total	16	48	12	19	11	9	13	12	7	9	9	4	20	4	6	4	9	3	3	3	0	5	2	0	1	5	234	

Annex V

Revised ICSC framework for contractual arrangements in the organizations of the United Nations common system

Preamble

This framework distinguishes between functions of a regular and continuing nature and functions required by the organizations of the United Nations common system for a short-term period to meet specific needs. The framework is executed through each organization's staff regulations and rules that set out the conditions of service. It is also applied in accordance with the organization's policies governing geographical distribution, where appropriate, and gender balance. Movement from one contract type to another is not automatic and is governed by transparent and open selection procedures. Staff members covered by these contractual arrangements are required to adhere to the highest standards of conduct as set out in the Standards of Conduct of the International Civil Service.

A. Continuing appointments: coverage

1. The continuing contractual appointment is designed to assist the organizations of the United Nations common system in maintaining programme continuity. The arrangement is conceived as a tool for facilitating the strategic management of human resources for the attainment of their overall objectives. This category covers existing contractual arrangements characterized in the organizations through the use of varying nomenclature, including permanent, indefinite, continuing, without limit of time, career, long-term, indeterminate and service contracts. Inclusion in this category is subject to the continuing needs of the organizations and extends to staff who perform functions that are core to the mandate of each organization of the United Nations common system.

Duration

2. A continuing appointment is open-ended. Staff regulations and rules may provide for periodic reviews to consider continuation. Continuity will be based on criteria such as organizational interests, fully meeting performance expectations and upholding the standards of conduct.

Probationary period

3. Staff in this category must serve a probationary period of between one and two years. Alternatively, staff who have performed and fully met expectations for not less than one year under a fixed-term contract will be considered to have met this probationary requirement for a continuing contract.

Compensation

4. The staff member shall be compensated in accordance with the relevant staff regulations and rules of the organization, consistent with the conditions of service in the common system.

Pension fund

5. The staff member is expected to contribute to the United Nations Joint Staff Pension Fund or any other pension scheme in accordance with the staff regulations and rules of the organization and the relevant rules of the fund or scheme.

Social security

6. The staff member is expected to be covered under the agreed plan with the organization's designated health insurance provider or under any other health insurance scheme, in accordance with the organization's staff regulations and rules.

Applicability of staff regulations and rules

7. The staff member is subject to the relevant staff regulations and rules of the organization.

Standards of conduct

8. The staff member is expected to adhere to the highest standards of conduct, as set out in the standards of conduct for the international civil service, which establish the basic values of all organizations of the United Nations common system.

Mobility requirements

9. The staff member may be subject, in accordance with the organization's staff regulations and rules, to transfers between any function or office, including directed geographic reassignment to other duty stations, if operationally required.

Acquiring a continuing appointment

10. Appointment to a continuing contract is acquired through open and transparent selection procedures in accordance with the organization's staff regulations and rules.

Separation procedures

11. Standard separation procedures are applicable to this category in accordance with the organization's staff regulations and rules. The executive head of the organization may terminate the contract of any staff member for reasons set out in the staff regulations and rules of the organization.

B. Fixed-term appointments: coverage

12. Fixed-term appointments cover the employment of staff engaged for defined periods of time to perform functions that are part of the organization's regular and continuing activities. Subject to the needs of the organization and as defined in its staff regulations and rules, inclusion in this category may extend to staff performing functions of medium-term duration, which could continue for a number of years.

Duration

13. A fixed-term appointment is expected to be of at least one year's duration and for a period of up to five years. The contract may be terminated or renewed on the

basis of criteria such as organizational interests, fully meeting performance expectations and upholding the standards of conduct. Under special circumstances and in accordance with the staff regulations and rules, the minimum period of such a contract may be of shorter duration.

Probationary period

14. A probationary period may range from six months to two years.

Compensation

15. The staff member shall be compensated in accordance with the relevant staff regulations and rules of the organization, consistent with the conditions of service in the common system.

Pension fund

16. The staff member is expected to contribute to the United Nations Joint Staff Pension Fund or any other pension scheme in accordance with the staff regulations and rules of the organization and the relevant rules of the fund or scheme.

Social security

17. The staff member is expected to be covered under the agreed plan with the organization's designated health insurance provider or under any other health insurance scheme, in accordance with the organization's staff regulations and rules.

Applicability of staff rules

18. The staff member is subject to the relevant staff regulations and rules of the organization.

Standards of conduct

19. The staff member is expected to adhere to the highest standards of conduct, as set out in the standards of conduct for the international civil service, which establish the basic values of all organizations of the United Nations common system.

Mobility requirements

20. The staff member may be subject, in accordance with the organization's staff regulations and rules, to transfers between any function or office, including directed geographic reassignment to other duty stations, if operationally required.

Acquiring a fixed-term appointment

21. Appointment to the fixed-term category is acquired through open and transparent selection procedures in accordance with the relevant staff regulations and rules of the organization.

Separation procedures

22. Separation of staff may normally be upon expiry of contract, with standard separation procedures applied, in accordance with the organization's staff regulations and rules. The executive head of the organization may terminate the

contract of any staff member for reasons set out in the staff regulations and rules of the organization.

C. Temporary appointments: coverage

23. The purpose of a short-term appointment is to accommodate defined, short-term needs of the organization of less than one year. The contractual arrangements cover existing appointments, such as short-term, temporary, term-limited, fixed-term short duration, monthly short-term, daily short-term, special short-term and other types of short-term appointments. Consultancies, service agreements and other contractual arrangements that are not executed as staff contracts shall be excluded from this category.

Duration

24. The duration of a temporary appointment is expected to be for less than one year. Any renewal should be consistent with the staff regulations and rules of the organization.

Probationary period

25. Not applicable.

Compensation

26. The staff member shall be compensated in accordance with the relevant staff regulations and rules of the organization, consistent with the conditions of service in the common system.

Pension fund

27. Depending on the type and length of appointment, the staff member may contribute to the United Nations Joint Staff Pension Fund or any other pension scheme in accordance with the staff regulations and rules of the organization and the relevant rules of the fund or scheme.

Social security

28. The staff member will be covered according to the relevant staff regulations and rules of the organization.

Applicability of staff regulations and rules

29. The staff member is subject to the relevant staff regulations and rules of the organization.

Standards of conduct

30. The staff member is expected to adhere to the highest standards of conduct, as set out in the standards of conduct for the international civil service, which establish the basic values of all organizations of the United Nations common system.

Mobility requirements

31. Not applicable.

Acquiring another type of contract

32. Change to any other contractual arrangement may only be effected through the application of open and transparent selection procedures, as established in the staff regulations and rules of the organization.

Separation procedures

33. Standard separation procedures may be applicable in the case of normal expiration of a contract. The executive head of the organization may at any time terminate the appointment of a staff member for reasons set out in the staff regulations and rules of the organization.

Annex VI

Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment, effective 1 January 2011

(United States dollars)

Level	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG Gross	**204 391**														
Net D	145 854														
Net S	131 261														
ASG Gross	**185 809**														
Net D	133 776														
Net S	121 140														
D-2 Gross	**152 231**	**155 592**	**158 954**	**162 315**	**165 675**	**169 035**									
Net D	111 950	114 135	116 320	118 505	120 689	122 873									
Net S	102 847	104 691	106 528	108 359	110 186	112 002									
D-1 Gross	**139 074**	**141 896**	**144 710**	**147 532**	**150 371**	**153 320**	**156 272**	**159 222**	**162 171**						
Net D	103 070	104 989	106 903	108 822	110 741	112 658	114 577	116 494	118 411						
Net S	95 270	96 936	98 600	100 258	101 915	103 567	105 212	106 857	108 497						
P-5 Gross	**115 134**	**117 532**	**119 934**	**122 331**	**124 732**	**127 129**	**129 531**	**131 929**	**134 329**	**136 729**	**139 129**	**141 528**	**143 929**		
Net D	86 791	88 422	90 055	91 685	93 318	94 948	96 581	98 212	99 844	101 476	103 108	104 739	106 372		
Net S	80 629	82 079	83 524	84 969	86 412	87 849	89 286	90 720	92 152	93 581	95 008	96 431	97 853		
P-4 Gross	**94 268**	**96 456**	**98 642**	**100 876**	**103 194**	**105 507**	**107 825**	**110 140**	**112 456**	**114 768**	**117 087**	**119 399**	**121 715**	**124 032**	**126 349**
Net D	72 373	73 948	75 522	77 096	78 672	80 245	81 821	83 395	84 970	86 542	88 119	89 691	91 266	92 842	94 417
Net S	67 395	68 829	70 263	71 691	73 120	74 548	75 975	77 399	78 822	80 244	81 664	83 083	84 502	85 918	87 334
P-3 Gross	**77 101**	**79 125**	**81 150**	**83 172**	**85 199**	**87 222**	**89 244**	**91 272**	**93 296**	**95 319**	**97 346**	**99 367**	**101 476**	**103 618**	**105 759**
Net D	60 013	61 470	62 928	64 384	65 843	67 300	68 756	70 216	71 673	73 130	74 589	76 044	77 504	78 960	80 416
Net S	56 018	57 358	58 701	60 040	61 382	62 721	64 060	65 403	66 741	68 082	69 418	70 755	72 089	73 426	74 762
P-2 Gross	**62 856**	**64 668**	**66 476**	**68 289**	**70 100**	**71 908**	**73 721**	**75 528**	**77 340**	**79 153**	**80 961**	**82 774**			
Net D	49 756	51 061	52 363	53 668	54 972	56 274	57 579	58 880	60 185	61 490	62 792	64 097			
Net S	46 669	47 853	49 032	50 214	51 394	52 576	53 778	54 975	56 178	57 377	58 574	59 776			
P-1 Gross	**48 627**	**50 199**	**51 933**	**53 678**	**55 414**	**57 154**	**58 896**	**60 638**	**62 374**	**64 114**					
Net D	39 388	40 643	41 892	43 148	44 398	45 651	46 905	48 159	49 409	50 662					
Net S	37 154	38 309	39 465	40 618	41 773	42 926	44 081	45 222	46 356	47 491					

Annex IX

A. Vacancy rates, by organization

UNDP

Country or area	*Number of posts*	*Vacancy rate (Percentage)*
Afghanistan	182	22
Burundi	42	5
Central African Republic	22	3
Chad	3	0
Côte d'Ivoire	12	1
Democratic Republic of the Congo	74	9
Ethiopia	27	3
Guinea	8	1
Haiti	19	2
Iraq	11	1
Kazakhstan	16	2
Kenya	123	15
Liberia	29	3
Pakistan	3	0
Somalia	58	7
Sri Lanka	6	1
Sudan	133	16
Timor-Leste	54	6
Uganda	12	1
Palestine	6	1

UNHCR

Hardship level	*Vacancy rate (Percentage)*
A	9.5
B	8.9
C	9.8
D	8.9
E	10.4
H (headquarters)	5.5
Total	**8.4**

UNFPA

	Number of posts	*Vacancy rate (Percentage)*
All non-family duty stations	78	16.6

UNOPS

The vacancy rate in the non-family duty stations is currently 13 per cent.

United Nations

B. Trend of vacancy rates by mission as at 31 December 2007, 2008 and 2009 (international staff)

(Percentage)

Mission	*31 December 2007*	*31 December 2008*	*31 December 2009*
Non-family missions			
AMISOM, Addis Ababa	33.0	51.5	35.7
BINUB, Burundi	14.0	13.3	14.6
BONUCA, Central African Republic	11.0	10.3	25.0
MINURCAT, Chad	81.0	36.4	27.4
MINURSO, Western Sahara	17.0	9.3	10.2
MINUSTAH, Haiti	8.0	9.1	12.3
MONUC, Democratic Republic of the Congo	18.0	24.6	18.5
Office of the Special Envoy of the Secretary-General for the Great Lakes region	—	—	45.5
Office of the Special Envoy of the Secretary-General for Lord's Resistance Army-affected areas, Kampala	—	54.5	—
UNAMA, Afghanistan	20.0	12.9	20.0
UNAMI, Iraq	37.0	31.8	28.5
UNAMID, Darfur	46.0	47.0	28.2
UNIIIC, Beirut	30.0	30.1	—
UNIOSIL, Sierra Leone	15.0	—	—
UNIPSIL, Sierra Leone	—	63.0	29.3
UNMEE, Eritrea	17.0	—	—
UNMIK, Kosovo	23.0	37.7	0.0
UNMIL, Liberia	11.0	10.9	17.2
UNMIN, Nepal	18.0	21.3	0.0
UNMIS, Sudan	24.0	25.4	26.7
UNMIT, Timor-Leste	27.0	18.2	20.8
UNOCI, Côte d'Ivoire	16.0	13.7	14.6
UNOGBIS, Guinea-Bissau	7.0	33.3	47.4
UNOMIG, Georgia	15.0	6.1	—

Mission	*31 December 2007*	*31 December 2008*	*31 December 2009*
UNPOS, Nairobi	22.0	18.2	34.4
UNRCCA, Turkmenistan	—	28.6	12.5
UNSOA, Nairobi	—	—	61.9
Subtotal	**23.0**	**26.6**	**22.1**
Family duty stations			
CNMC, Dakar	32.0	12.5	31.3
Special Adviser to the Secretary-General on Cyprus	—	—	18.8
UNDOF, Syrian Arab Republic	9.0	15.5	18.4
UNFICYP, Cyprus	10.0	0.0	4.9
UNIFIL, Naqoura, Lebanon	17.0	16.5	21.7
UNLB, Brindisi, Italy	15.0	10.3	20.5
UNMOGIP, Pakistan	4.0	11.5	11.5
UNOWA, Dakar	58.0	23.1	23.5
UNSCO, Ramallah	14.0	14.3	22.9
UNSCOL, Beirut	30.0	34.6	13.0
UNTSO, Jerusalem	16.0	19.2	21.7
Subtotal	**16.0**	**15.8**	**20.2**
Total	**22.0**	**25.7**	**21.9**

Abbreviations: AMISOM, African Union Mission in Somalia; BINUB, United Nations Integrated Office in Burundi; BONUCA, United Nations Peacebuilding Support Office in the Central African Republic; CNMC, Cameroon-Nigeria Mixed Commission; MINURCAT, United Nations Mission in the Central African Republic and Chad; MINURSO, United Nations Mission for the Referendum in Western Sahara; MINUSTAH, United Nations Stabilization Mission in Haiti; MONUC, United Nations Organization Stabilization Mission in the Democratic Republic of the Congo; UNAMA, United Nations Assistance Mission in Afghanistan; UNAMI, United Nations Assistance Mission for Iraq; UNAMID, African Union-United Nations Hybrid Operation in Darfur; UNDOF, United Nations Disengagement Observer Force; UNFICYP, United Nations Peacekeeping Force in Cyprus; UNIFIL, United Nations Interim Force in Lebanon; UNIIIC, United Nations International Independent Investigation Commission; UNIOSIL, United Nations Integrated Office in Sierra Leone; UNIPSIL, United Nations Integrated Peacebuilding Office in Sierra Leone; UNLB, United Nations Logistics Base at Brindisi, Italy; UNMEE, United Nations Mission in Ethiopia and Eritrea; UNMIK, United Nations Interim Administration Mission in Kosovo; UNMIL, United Nations Mission in Liberia; UNMIN, United Nations Mission in Nepal; UNMIS, United Nations Mission in the Sudan; UNMIT, United Nations Integrated Mission in Timor-Leste; UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNOCI, United Nations Operation in Côte d'Ivoire; UNOGBIS, United Nations Peacebuilding Support Office in Guinea-Bissau; UNOMIG, United Nations Observer Mission in Georgia; UNOWA, United Nations Office for West Africa; UNPOS, United Nations Political Office for Somalia; UNRCCA, United Nations Regional Centre for Preventive Diplomacy for Central Asia; UNSCO, Office of the United Nations Special Coordinator for the Middle East peace process; UNSCOL, Office of the United Nations Special Coordinator for Lebanon; UNSOA, United Nations Support Office for the African Union Mission in Somalia; UNTSO, United Nations Truce Supervision Organization.

Annex X

Hardship allowances

A. Current hardship allowances

(United States dollars/month)

Group 1 (P-1, P-2, P-3)

Hardship classification	*With dependant*	*Single*
H	—	—
A	—	—
B	473	354
C	851	638
D	1 134	851
E	1 418	1 063

Group 2 (P-4, P-5)

Hardship classification	*With dependant*	*Single*
H	—	—
A	—	—
B	567	425
C	1 039	780
D	1 323	993
E	1 701	1 276

Group 3 (D-1, D-2)

Hardship classification	*With dependant*	*Single*
H	—	—
A	—	—
B	662	496
C	1 228	922
D	1 512	1 134
E	1 890	1 418

B. Proposed additional hardship allowance for service in non-family duty stations

(United States dollars/month)

	Group 1 (P-1, P-2, P-3)	*Group 2 (P-4, P-5)*	*Group 3 (D-1, D-2)*
With dependant	1 418	1 701	1 890
Single	532	638	709

Annex XI

Rest and recuperation framework

1. Effective 1 July 2011, a harmonized common system rest and recuperation scheme will consist of four elements:

(a) Time off, not charged to annual leave;

(b) Travel time;

(c) Contribution towards accommodation at designated place of rest and recuperation;

(d) Paid travel from place of duty to designated rest and recuperation location.

2. With regard to time off, the standard model is five consecutive working days. For historical reasons, the time-off period for Secretariat staff had slight variations. The harmonized approach will remain five consecutive working days, and all organizations will adjust their scheme accordingly.

3. With regard to travel time, the specifics of each location dictate the appropriate amount of time granted. Travel time is defined as the actual time spent travelling from the place of duty to the designated rest and recuperation location, by the fastest means and the most direct route. Since, in most cases, staff are obliged to travel on rest and recuperation, the organization will help meet the additional costs incurred by the staff member in finding temporary accommodation at the designated place. The accommodation portion of the daily subsistence allowance is considered the best reflection of the additional costs incurred. A calculation of an average of the accommodation portions of the daily subsistence allowance applicable to currently designated places of rest and recuperation produces an amount of $677.57 for five days. This amount is rounded up to a flat lump sum of $750 to include a small consideration for terminal expenses. This amount is payable only if the individual travels for rest and recuperation. It is to be paid as a flat amount, irrespective of duty station, designated place of rest and recuperation or grade of the individual.

4. With regard to paid travel, the organization will pay for the cost of travel by the cheapest and most direct route from the place of duty to the designated place of rest and recuperation. This payment can be in the form of the organization purchasing the ticket, or through the provision of an equivalent lump sum so that the staff member can make his or her own arrangements. In the latter case, proof may be required that travel has actually taken place. Whenever United Nations transportation is available, it will be provided free of charge, and no payment for travel costs will apply.

Annex XII

A. Proposals submitted to the Commission

1. Building on the work of the technical working group, a meeting was convened in April 2010 with the common system Directors of Human Resources Management during which the options identified were fine-tuned. An additional option was later added by the ICSC secretariat, bringing the number of options to five. Common to all options was the assumption that, under a harmonized approach, the designation of duty stations would be harmonized, and staff would be assigned to the place of duty and have all benefits and allowances calculated on the basis of the place of duty.

The five options

2. *Option 1.* This option used the average actual expenses (referred to as "in-area") reported by staff as being incurred in all locations that were not designated as non-family (i.e., for those locations where a home base presumably is maintained). From this amount, the component referring to housing (rent and utilities) was deducted so as to arrive at actual living expenses at the home base. The amount of the in-area expenses less the housing component was $2,149. To account for the need to maintain a home at both the home base and at the place of duty, that amount was divided by two, resulting in a figure of $1,075, representing in-area costs, less housing, at both the home base and the place of duty. To account for the cost of renting accommodations in both locations, an average of the rental thresholds for both family and non-family duty stations was added, namely $2,110. The total amount thus arrived at was $3,185, which was rounded to $3,200 per month. It was suggested that staff paid at the single rate should receive 75 per cent of this amount, that is, $2,400 per month.

3. On the grounds that everybody maintains a home that bears some relationship to income, two variants of this option were modelled: HOME 1 and HOME 2.

(a) HOME 1 is arrived at by applying the calculated amount of $3,200 to staff at the mid-point of the salary scale (i.e., P-4) and applying the existing grade differentials of the Professional pay scale. The additional costs[a] to the United Nations Secretariat of HOME 1 amount to approximately $128.95 million per annum, that is, some $16.85 million less than originally proposed by the Secretary-General to the Commission at its seventieth session. The overall cost of HOME 1 to the common system is estimated at approximately $132.9 million.

(b) HOME 2 is arrived at by applying a pay differential which is already established elsewhere in the common system of benefits and entitlements, namely, the mobility and the hardship schemes. Using this approach, staff at the P-4/P-5 grades receive the calculated amount (in this case, $3,200), while those above those grades receive 13 per cent more and those below 13 per cent less. The additional costs of HOME 2 to the United Nations amount to approximately $154.2 million per annum, that is, some $8.4 million more than originally proposed by the Secretary-General. The overall cost of HOME 2 to the common system is estimated at approximately $157.85 million.

[a] All cost estimates are provided using actual staff demographics in non-family duty stations as of 1 March 2010.

4. *Option 2*. This option takes into consideration the average actual expenses reported by staff as being incurred in all locations, both family and non-family. Although staff paid at the dependency rate are already compensated for having dependent family members, no allowance is made for the fact that the latter may reside in a separate household, as they are obliged to do when the staff member is assigned to a non-family duty station, and that this inevitably gives rise to additional costs. By excluding all duty stations in the Europe/European Union and the North America regions, on the grounds that few staff members assigned to those regions maintain their home in non-family locations as it is generally possible for staff to establish a home base at their duty stations in those regions, and taking the average of both the single and the dependency rates, a monthly amount of $3,200 is arrived at. Since that amount is identical to the one arrived at using option 1, the financial implications are precisely the same as for option 1. The variants HOME 1 and HOME 2 therefore apply equally to option 2.

5. *Option 3*. Although the proposed harmonized approach assumes that henceforth all staff will be assigned to the place of duty and not the administrative place of assignment, a number of organizations currently using the special operations approach wished to retain the ability to install families in nearby locations. Under this scenario, organizations that so wished could continue to install families in regional hubs with adequate facilities, but in such cases the calculated global amount of $3,200 per month would not be paid; rather, a regional flat amount based on regional expense patterns would be payable to all staff. Option 3 is presented as HOME 3, and the additional cost to the United Nations is estimated at $152.4 million per annum, or $6.6 million more than originally proposed by the Secretary-General. The total cost of HOME 3 to the common system is estimated at approximately $153.5 million.

6. *Option 4*. It is further proposed that staff whose organizations did not utilize the regional approach, or staff who wished to install their families in places other than the regional hubs, would receive the global lump sum of $3,200. Option 4 is presented as HOME 3.3, and the additional cost to the United Nations is estimated at approximately $175.9 million per annum, or some $30.1 million more than originally proposed by the Secretary-General. The total cost of HOME 3.3 to the common system is estimated at approximately $183.1 million.

7. *Option 5*. This option involves separate calculations for staff paid at the single rate and for staff paid at the dependency rate.

(a) For staff paid at the single rate, the calculation is based on the average rental threshold for all family duty stations, to yield an estimated cost of maintaining a separate residence at the home base. This results in an amount of $1,800 per month.

(b) For staff paid at the dependency rate, the average reported living expenses ("in-area"), including housing, in family duty stations is taken as a starting point. As staff paid at the dependency rate are already compensated for having dependent family members, and to avoid double counting, that amount is then reduced by the pay difference between the single and the dependency rate, to arrive at a final figure of $2,400 per month.

8. *Option 5*. This option has been modelled with three variants:

(a) HOME 4, on the assumption that all staff receive a global flat sum of $1,800, or $2,400, depending on their single/dependency status. The additional cost of HOME 4 to the United Nations is estimated at approximately $122.8 per annum, or some $23 million less than originally proposed by the Secretary-General. The total cost of HOME 4 to the common system is estimated at approximately $116.1 million.

(b) HOME 5, by applying existing grade differentials. The additional cost of HOME 5 to the United Nations is estimated at approximately $87.6 million per annum, or some $58.2 million less than originally proposed by the Secretary-General. The total cost of HOME 5 to the common system is estimated at approximately $78.5 million.

(c) HOME 6, by applying existing mobility/hardship pay differentials (i.e., 13 per cent more for those above P-5 and 13 per cent less for those below P-4). The additional cost of HOME 6 to the United Nations is estimated at approximately $106.5 per annum, or $39.3 million less than originally proposed by the Secretary-General. The total cost of HOME 6 to the common system is estimated at approximately $97.1 million.

B. Estimated additional costs of harmonization options, by organization[a]

(United States dollars, per year)

			Options 1 and 2		*Option 3*	*Option 4*	*Option 5*		
Organization	*Number of Staff*	*Additional cost with $2,500 flat amount (modified MSEA)*	*HOME 1 (Grade differential)*	*HOME 2 (Mobility and hardship scheme differential)*	*HOME 3 (Regional)*	*HOME 3.3 (Global)*	*HOME 4 (Global flat amounts)*	*HOME 5 (Grade differential)*	*HOME 6 (Mobility and hardship scheme differential)*
ILO	14	(61 176)	46 899	9 288	(42 348)	18 024	(106 776)	(85 120)	(113 328)
United Nations	6 078	145 810 968	128 956 687	154 202 040	152 376 924	175 899 768	122 792 568	87 585 257	106 519 272
UNDP	247	52 625	1 515 653	1 038 881	343 541	1 292 225	(870 175)	(702 604)	(1 060 183)
UNESCO	11	82 322	108 252	97 154	74 750	117 122	25 922	19 270	10 946
UNFPA	53	(129 766)	333 355	232 010	24 218	248 234	(243 766)	(179 925)	(255 934)
UNHCR	439	(807 247)	193 780	309 761	(146 923)	1 469 153	(2 392 447)	(3 348 977)	(3 261 991)
UNICEF	359	(72 456)	679 116	731 400	219 480	1 608 744	(1 504 056)	(2 201 277)	(2 162 064)
UNOPS	109	86 848	490 612	474 640	359 476	781 648	(209 552)	(427 829)	(439 808)
WFP	300	(213 808)	312 615	567 920	303 404	1 490 192	(1 185 808)	(2 068 991)	(1 877 512)
WHO	46	(116 573)	334 815	187 651	13 723	202 627	(222 173)	(123 032)	(233 405)
Total	**7 656**	**144 631 737**	**132 971 784**	**157 850 745**	**153 526 245**	**183 127 737**	**116 083 737**	**78 466 772**	**97 125 993**

Note: Figures in brackets indicate savings.

[a] Additional cost estimates are based on staffing data as at 1 March 2010, and after offsetting current SOLA, EMSEA and personal transition allowance costs, as applicable.

Annex XIII

A. Implementation plan

Time after implementation of a decision by the General Assembly	*United Nations Secretariat staff in non-family duty stations*	*Organizations currently using SOA or EMSEA*		
		Staff currently assigned (and reassigned within the first year of implementation) for service in non-family duty stations	*Staff reassigned for service in non-family duty stations*	*Newly recruited staff*
Immediately upon implementation (recommended to be six months after a decision by the General Assembly)	Receive additional non-family hardship element paid at the place of duty.	SOA users: continue to receive the current SOLA amounts at the administrative place of assignment.[a]	SOA users: continue to receive the current SOLA amounts at the administrative place of assignment.	All staff assigned to place of duty and receive Additional Non-Family Hardship Element paid at the place of duty.
First year		EMSEA users: continue to receive the current EMSEA amounts.	EMSEA users: continue to receive the current EMSEA amounts.	
Second year		Receive the "unified SOLA rates" published by ICSC and applicable EMSEA rates for the duration of their current assignment.	Receive the "unified SOLA rates" published by ICSC and applicable EMSEA rates.	
Third year			Receive the "unified SOLA rates" published by ICSC and applicable EMSEA rates, with a reduction of 25 per cent of the difference.[b]	
Fourth year			Receive the "unified SOLA rates" published by ICSC and applicable EMSEA rates, with a reduction of 50 per cent of the difference.[c]	
Fifth year			Receive the "unified SOLA rates" published by ICSC and applicable EMSEA rates, with a reduction of 75 per cent of the difference.[c]	

Time after implementation of a decision by the General Assembly	*United Nations Secretariat staff in non-family duty stations*	*Organizations currently using SOA or EMSEA*		
		Staff currently assigned (and reassigned within the first year of implementation) for service in non-family duty stations	*Staff reassigned for service in non-family duty stations*	*Newly recruited staff*
Sixth year		All staff assigned to place of duty and receive additional non-family hardship element paid at the place of duty. SOA and EMSEA discontinued.	All staff assigned to place of duty and receive additional non-family hardship element paid at the place of duty. SOA and EMSEA discontinued.	

[a] If reassigned less than six months prior to the first year after implementation, staff receive unified SOLA amount from the beginning of reassignment.
[b] For SOA users, the difference is between (i) the applicable SOLA rate plus the normal hardship allowance at the administrative place of assignment and (ii) the normal hardship allowance plus the additional non-family hardship element at the place of duty.
[c] For EMSEA users, the difference is between (i) the applicable EMSEA rate and (ii) the additional non-family hardship element at the place of duty.

B. Methodology used in the implementation of reduced amounts, assuming implementation on 1 July 2011

On implementation: 1 July 2011, no effect; SOLA rates paid as they are today.

Year one: 1 July 2012, SOLA is harmonized by the Commission for every administrative place of assignment location. An amount of $100 is assumed for the combined harmonized SOLA and the administrative place of assignment hardship allowance (rate A).

Year two: 1 July 2013, the difference between rate A and rate B (non-family hardship + place of duty hardship) is reduced by 25 per cent = 75 per cent of the difference is payable, resulting in a reduced amount of $75.

Year three: 1 July 2014, the difference between rate A and rate B is reduced by a further 25 per cent, for a total of 50 per cent of the difference, resulting in a reduced amount payable of $50.

Year four: 1 July 2015, the difference between rate A and rate B is reduced by a further 25 per cent, for a total of 25 per cent of the difference, resulting in a reduced amount payable of $25.

Year five: 1 July 2016, the difference between rate A and rate B is reduced by a further 25 per cent, resulting in a total of 0 per cent of the difference and a reduced amount payable of $0.

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